



**KKCG Financing 2 a.s.**

**Bond KKCG FINAN II 5,90/2029**  
**with a fixed interest rate of 5.9% p.a. secured by pledges**  
**with an estimated aggregate nominal value of up to EUR 160,000,000 maturing in 2029**  
**ISIN SK4000025938**

Bonds with an estimated total nominal value of up to EUR 160,000,000, maturing in 2029 (hereinafter referred to as the **Bonds** or the **Issue**), the issuer of which is KKCG Financing 2 a.s., with its registered office at Dúbravská cesta 14, 841 04 Bratislava, ID No.: 55 970 494, registered in the Commercial Register maintained by the Municipal Court Bratislava III, Section Sa, Insert No.: 7635/B, LEI: 097900CAKA0000199795 (hereinafter referred to as the **Issuer**), will be issued under the laws of the Slovak Republic as bearer securities in book-entry form. The Issuer will apply for admission of the Bonds to trading on the regulated free market of the Bratislava Stock Exchange, a.s. (the **BSE**), which is a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments amending Directive 2002/92/EC and Directive 2011/61/EU (**MiFID II**), in accordance with the rules and regulations of the BSE, but there can be no assurance that the BSE will admit the Bonds to trading. The nominal value of each Bond is EUR 1,000 (the **Nominal Value**). The issue date of the Bonds (Issue Date) is 17 October 2024.

The bonds bear interest at a fixed rate of 5.9% p.a. Interest will be paid semi-annually in arrears. The first payment of interest will be made on 17 April 2025. Unless the Bonds are redeemed early or purchased by the Issuer and cancelled in accordance with the Terms and Conditions, the Bonds will mature in a single lump sum on 17 October 2029. Payments on the Bonds will always be made in euro and the payments will be subject to withholding of applicable taxes and fees required by the laws of the Slovak Republic. The Issuer will not be obliged to make further payments to the Bondholders in lieu of such withholding. Further article 9 of the Prospectus "Terms and Conditions of the Bonds" and article 11 "Taxation, Levies and Exchange Regulation in the Slovak Republic" of the Prospectus.

Only the Issuer and no other person is liable for the obligations under the Bonds. The Issuer's obligations under the Bonds are secured by a pledge under Slovak law of the receivables from the intra-group loan entered into between the Issuer and KKCG AG and a pledge of up to 10% of the shares in Allwyn AG, a company incorporated under the laws of Switzerland with its registered office at Mühlenplatz 9, 6004 Luzern, Switzerland, ID No.: CHE-366.705.452 (**Allwyn**) (jointly, the **Security**), which is the parent company of Allwyn International, Inc, having its registered office at Evropská 866/71, Vokovice, 160 00 Prague 6, Czech Republic, ID No.: 242 87 814, (**Allwyn International** or **AIAS**). The security will be established in accordance with article 10 of the Terms and Conditions of the Bonds in favour of the common representative of the Bondholders, J&T BANKA, a.s., with its registered office at Sokolovská 700/113a Karlín, 186 00 Prague 8, Czech Republic, ID No.: 471 15 378, doing business in the territory of the Slovak Republic through the organizational unit of J&T BANKA, a.s., branch of a foreign bank, with its registered office at Dvořákovo nábrežie 8, 811 02 Bratislava, Slovak Republic, ID No.: 35 964 693 (hereinafter in this capacity also referred to as the **Security Agent**).

**This Prospectus dated 6 September 2024 (the Prospectus)** has been prepared pursuant to article 6 of 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**) and pursuant to article 24 and in accordance with Annexes 6, 14 and 22 of Commission Delegated Regulation (EU) 2019/980 as regards format, content review and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market (the **Delegated Prospectus Regulation**) for the purpose of the admission of the Bonds to trading on the regulated free market of the BSE and the public offering of the Bonds in the Slovak Republic and the Czech Republic pursuant to the Prospectus Regulation.

**This Prospectus has been validly approved by the National Bank of Slovakia (the NBS) on 16 September 2024, as the competent authority under the Prospectus Regulation. The NBS approves this Prospectus only as a document that meets the standards of completeness, clarity and consistency imposed by the Prospectus Regulation. The approval of the Prospectus by the NBS should not be regarded as an endorsement by the Issuer or as an endorsement of the quality of the Bonds which are the subject of this Prospectus.**

The Issuer will request the NBS to notify the Czech National Bank (the **CNB**), as the competent authority of the Czech Republic pursuant to the Prospectus Regulation, of the approval of the Prospectus for the purposes of the public offering of the Bonds in the Czech Republic. The Prospectus will not be registered, authorised or approved by any authority of any other state. In particular, the Bonds are not and will not be registered under the United States Securities Act of 1933 and, accordingly, may not be offered, sold or in any way provided within the United States or to persons who are residents of the United States except pursuant to an exemption from the registration requirements of that Act or in a transaction not subject to such registration requirements. Persons into whose possession this Prospectus comes are responsible for compliance with the restrictions applicable in each state on the offer, purchase or sale of the Bonds or on the possession and distribution of any materials relating to the Bonds. Further information 10.5 of the Prospectus "Restrictions on the distribution of the Prospectus and the sale of the Bonds".

**This Prospectus will expire on 16 September 2025. The obligation to prepare a supplement to this Prospectus in the event of a new material factor, material error or material inaccuracy will no longer apply after the expiry of this Prospectus.**

The information contained in this Prospectus is current only as at the date of this Prospectus. The delivery of this Prospectus after the date of this Prospectus does not imply that the information contained herein remains current on such later date and investors must consider all other information published by the Issuer after the date of this Prospectus (including any supplement to this Prospectus, if any, if an obligation to prepare and publish such supplement arises) and other publicly available information for the purpose of deciding whether to invest in the Bonds. The Issuer has not approved any statement or information in relation to the Bonds other than as contained in this Prospectus.

**Investing in the Bonds involves risks. Prospective investors should make their own assessment of the suitability of investing in the Bonds. In particular, prospective investors should consider the risks described in 2 Prospectus "Risk factors" below.**

*Joint Lead Managers*

**J&T BANKA, a.s.**

**UniCredit Bank  
Czech Republic and Slovakia, a.s.**

**PPF banka, a.s.**

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## 1. SUMMARY

*The summary below sets out the key information that investors need to understand the nature and risks of the Issuer and the Bonds. The summary should be read in conjunction with the other sections of the Prospectus. Capitalised terms used in the Summary have the meanings ascribed to them in the Terms and Conditions of the Bonds or in any other part of the Prospectus. The Summary complies with the requirements of Article 7 of the Prospectus Regulation and consists of mandatory disclosures divided into four sections and subsections and contains all mandatory disclosures required to be contained in a Summary for this type of Securities and the Issuer.*

### 1.1 Introduction and warnings

<p><b>Warnings</b></p>	<p>This summary constitutes and should be read as an introduction to the Prospectus.</p> <p>Any decision to invest in the Bonds should be based on the investor's consideration of the Prospectus as a whole, including any amendments thereto.</p> <p>The Investor may lose all or part of its invested capital in the event that the Issuer does not have sufficient funds to repay the nominal value of the Bonds and/or to pay the interest income on the Bonds. In the event that a lawsuit is filed in court relating to the information contained in the Prospectus, the suing investor may be required by national law to bear the costs of translating the Prospectus prior to the commencement of the lawsuit. Civil liability is only incurred by the persons who submitted the summary, including the translation thereof, but only if the summary is misleading, inaccurate or inconsistent with other parts of the Prospectus or if it does not provide, in conjunction with other parts of the Prospectus, key information to assist investors in deciding whether to invest in the Bonds.</p>
<p><b>Name of the Bond and the international securities identification number (ISIN)</b></p>	<p>The name of the Bond is KKCG FINAN II 5,90/2029 Bond.</p> <p>Company Centrálny depozitár cenných papierov SR, a.s., with its registered office at ul. 29. augusta 1/A, 814 80 Bratislava, Slovak Republic, ID No.: 31 338 976, registered in the Commercial Register maintained by the Municipal Court Bratislava III, Section Sa, Insert No. 493/B (hereinafter referred to as <b>CDCP</b>), has assigned ISIN code SK4000025938 to the Bonds.</p>
<p><b>Identification and contact details of the Issuer</b></p>	<p>The Issuer of the Bonds is KKCG Financing 2 a.s., with its registered office at Dúbravská cesta 14, 841 04 Bratislava, ID No.: 55 970 494, registered in the Commercial Register kept by the Municipal Court Bratislava III, Section: Sa, Insert No.: 7635/B, LEI: 097900CAKA0000199795.</p> <p>The Issuer can be contacted at +447961664498, or via email at <a href="mailto:ir@kkcg.com">ir@kkcg.com</a>.</p>
<p><b>Identification and contact details of the person offering the Bonds and the person applying for admission to trading on a regulated market</b></p>	<p>The Bonds will be offered by the Issuer through the Joint Lead Managers in a public offering in the Slovak Republic and the Czech Republic 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 (the <b>Prospectus Regulation</b>).</p> <p>Leading together the managers are:</p> <ul style="list-style-type: none"> <li>• <b>J&amp;T BANKA, a.s.</b>, with registered office at Sokolovská 700/113a, Karlín, 186 00 Prague 8, Czech Republic, ID No.: 471 15 378, LEI: 31570010000000043842, registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert No. 1731, which operates in the Slovak Republic through a branch of J&amp;T BANKA, a.s, branch of a foreign bank, Dvořákovo nábrežie 8 811 02 Bratislava, Slovak Republic, ID No.: 35 964 693, LEI: 097900BHFR0000075034, registered in the Commercial Register kept by the Municipal Court Bratislava III, Section Po, Insert No. 1320/B (hereinafter also referred to as <b>J&amp;T BANKA</b>). J&amp;T BANKA can be contacted by phone +421 259 418 111 or by email <a href="mailto:info@jtbanka.sk">info@jtbanka.sk</a>.</li> <li>• <b>UniCredit Bank Czech Republic and Slovakia, a.s.</b>, with registered office at Želetavská 1525/1, 140 92 Prague 4, ID No.: 649 48 242, registered in the Commercial Register kept by the Municipal Court in Prague, File: B 3608, LEI: KR6LSKV3BTSJRD41IF75, which operates in the Slovak Republic through a branch of UniCredit Bank Czech Republic and Slovakia, a.s., 47 251 336, registered in the Commercial Register kept by the Municipal Court Bratislava III, Section Po, Insert No.: 2310/B (hereinafter also referred to as <b>UCB</b>). UCB can be contacted by phone at +420 221 210 031 or by email <a href="mailto:info@unicreditgroup.cz">info@unicreditgroup.cz</a>.</li> <li>• <b>PPF banka, a.s.</b>, with registered office at Evropská 2690/17, 16041 Prague 6, ID No.: 47116129, registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert No.: 1834, LEI: 31570010000000036567 (hereinafter also referred to as <b>PPF banka</b>). PPF banka can be contacted by phone at +420 222 244 255 or by email <a href="mailto:info@ppfbanka.cz">info@ppfbanka.cz</a>.</li> </ul>

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	The Issuer shall apply through J&T BANKA, as listing agent (hereinafter referred to as the <b>Listing Agent</b> ), for admission of the Bonds to trading on the regulated free market of the BSE. The Listing Agent may be contacted in the manner set out above.
<b>Identification and contact details of the authority approving the Prospectus</b>	The Prospectus is approved by the National Bank of Slovakia, as the competent authority for the purposes of the Prospectus Regulation pursuant to Section 120(1) of the Securities Act. The National Bank of Slovakia can be contacted by telephone at +421 257 871 111 or by email at <a href="mailto:info@nbs.sk">info@nbs.sk</a> .
<b>Date of approval of the Prospectus</b>	The Prospectus has been approved by the decision of the National Bank of Slovakia No.: 100-000-764-829 to No.: NBS1-000-101-982 dated 16 September 2024, which entered into force on 16 September 2024.

## 1.2 Key issuer information

### Who is the issuer of the securities?

<b>The registered office and legal form of the Issuer, LEI, country of registration and the law under which the Issuer conducts activities</b>	The Issuer is a joint stock company established under the laws of the Slovak Republic, with its registered office at Dúbravská cesta 14, 841 04 Bratislava, Slovak Republic, ID No.: 55 970 494, registered in the Commercial Register maintained by the Municipal Court Bratislava III, Section: Sa, Insert No.: 7635/B, LEI: 097900CAKA0000199795. The Issuer conducts its business in accordance with the laws of the Slovak Republic, which includes in particular Act No. 513/1991 Coll., the Commercial Code (hereinafter referred to as the <b>Commercial Code</b> ), Act No. 40/1964 Coll., the Civil Code (hereinafter referred to as the <b>Civil Code</b> ), Act No. 455/1991 Coll., the Trade Licensing Act, and Act No. 530/1990 Coll., the Trade Licensing Act, on Bonds, as amended (hereinafter referred to as the <b>Bonds Act</b> ) (always as amended).
<b>Main activities of the Issuer</b>	The Issuer is a newly established company with no significant business history. The principal activity of the Issuer is to raise funds through the Issue and provide them to KKCG AG by way of a loan or other form of financing for the purpose of financing ordinary business activities as well as acquisitions, financial investments and operations, dividends or refinancing of existing loans. The proceeds of the Issue will not be used to finance activities and acquisitions in the fields of lotteries, gambling or oil and gas extraction and processing.
<b>Major shareholders of the Issuer</b>	The Issuer has a single shareholder, KKCG AG, which owns 100% of the Issuer's share capital, with which 100% of the voting rights are attached. As at the date of this Prospectus, the controlling person of KKCG AG is the VALEA FOUNDATION, the beneficiary of which is Mr. Karel Komárek.
<b>Key management personnel of the Issuer</b>	The key management personnel of the Issuer are Iva Horčicová, Chairman of the Board of Directors and Petr Luňák, member of the Board of Directors.
<b>Identification of the Issuer's Statutory Auditor</b>	The Issuer's auditor is PricewaterhouseCoopers Slovensko, s.r.o., with its registered office at Karadžičova 2, 815 32 Bratislava - Staré Mesto, Slovak Republic, ID No.: 35 739 347, registered in the Commercial Register of the Municipal Court Bratislava III, Section Sro, Insert No.: 16611/B, registered in the list of the Slovak Chamber of Auditors (hereinafter referred to as the Slovak Chamber of Auditors, <b>SKAU</b> ) under licence No. 161.

### What is the key financial information regarding the Issuer?

Key data from the Issuer's audited individual financial statements prepared as at 31.12.2023 in accordance with Slovak Accounting Standards (SAS) in EUR:			
<b>Balance sheet</b>	<b>k 31.12.2023</b> (audited)	<b>Profit and loss account</b>	<b>drawn up for the period from</b> <b>29.12.2023 to 31.12.2023</b> (audited)
Total assets	27,500	Economic outturn	- 4,610
Equity	22,890	Profit or loss for the year before tax	- 4,610
Total equity and liabilities	27,500	Profit or loss for the year after tax	- 4,610
<b>Overview of cash flows</b>		<b>drawn up for the period from 29.12.2023 to</b> <b>31.12.2023 (audited)</b>	
Net cash flows from operating activities		0	
Net cash flows from investing activities		0	
Net cash flows from financing activities		0	
Balance of cash and cash equivalents at the end of the reporting period adjusted for exchange differences calculated at the reporting date (+/-)		27,500	

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The audited individual financial statements as of 31.12.2023 include the auditor's report, which was unqualified.

The Issuer has not entered into any transactions since the preparation of its audited separate financial statements as of 31 December 2023 that would result in a material overall change affecting its assets, liabilities and income of more than 25% with respect to one or more measures of the scale of its business.

The Issuer represents that there has been no material adverse change in its prospects since the preparation of the audited standalone financial statements as of 31 December 2023.

**What are the key risks that are specific to the Issuer?**

<p><b>The most significant risks that are specific to the Issuer</b></p>	<p>Risk factors relating to the Issuer and the Allwyn Group include, in particular, the following potential facts:</p> <ol style="list-style-type: none"> <li>1. <b>Issuer Risk as a Special Purpose Vehicle with no business history</b> - The Issuer is a company existing for the purpose of issuing the Bonds, providing the proceeds of the Issue by way of an intra-group loan or other form of financing to KKCG AG and the subsequent administration of such loan or other form of financing. The Issuer does not carry on any other business and will therefore be credit dependent on KKCG AG and its subsidiaries, which may adversely affect the Issuer's ability to meet its obligations under the Bonds.</li> <li>2. <b>Secondary Dependency Risk</b> - The Issuer will use the proceeds of the Issue to provide financing to KKCG AG by way of an intra-group loan or other form of financing. As the Issuer itself does not carry on any business, the Issuer's ability to repay its obligations under the Bonds depends on the ability of KKCG AG and its subsidiaries to generate sufficient funds from their operations to repay their obligations to the Issuer. Although KKCG is also active in other industries, it is primarily exposed to risks affecting the lottery and gaming activities of the Allwyn Group and therefore the Issuer's ability to repay its obligations under the Issue may be adversely affected by all risk factors relating to the Allwyn Group.</li> <li>3. <b>Risk of conflict of interest</b> - The business and financial interests of certain members of the KKCG Group or their shareholders or partners may, in certain circumstances, conflict with the interests of the Issuer. The interests of the Bondholders may also be compromised by the interests of certain members of the Allwyn Group or their shareholders or partners, which may have a material adverse effect on the investments of the Bondholders. Conflicts of interest may arise in the exercise of the Issuer's directorships because directors are also members of the boards of other companies and promote the interests of those companies or the interests of persons controlled by them.</li> <li>4. <b>Credit risk</b> - The Allwyn Group (which for the purposes of the financial and descriptive sections of the Prospectus, including the risks (but excluding the terms of the Bonds in section 9 of the Prospectus) consists of Allwyn and its subsidiaries and other entities accounted for by Allwyn under the equity method of accounting) (<i>equity method investees</i>) is exposed to credit risk representing the potential losses that the Allwyn Group may incur if debtors, such as customers or clients, fail to meet their payment obligations in a timely and orderly manner. Credit risk arises from transactions with counterparties from which the Allwyn Group incurs financial claims. Despite all measures to limit credit risk within the Allwyn Group, the failure of a counterparty or counterparties may result in losses that could adversely affect the Allwyn Group's business, results of operations and financial condition.</li> <li>5. <b>Liquidity risk</b> - The Allwyn Group is exposed to liquidity risk, which means that the Allwyn Group may not have sufficient resources to cover its outstanding receivables, such as payables to suppliers, employees or financial institutions. A lack of available resources could adversely affect the Allwyn Group's business, results of operations and financial condition.</li> <li>6. <b>Risks associated with the Allwyn Group's indebtedness</b> - The Allwyn Group is heavily indebted and is expected to continue to be heavily indebted for the foreseeable future. This indebtedness carries with it restrictive covenants and <i>financial covenants</i> which limit its financial and operational flexibility, as well as events of default and cross-default provisions.</li> <li>7. <b>Impact of global geopolitical and macroeconomic developments</b> - The Allwyn Group is exposed to political, economic and financial market conditions in the countries in which it operates and in other countries into which it may expand. Any significant political events or changes, such as elections, may result in changes in regulation, restrictions on doing business in that country and other policy decisions. The ongoing Russian invasion of Ukraine, as well as instability in the Middle East, has led and may continue to lead to disruption, instability and volatility in global markets and in the economies of countries, including those in which the Allwyn Group operates, which could adversely affect its business.</li> </ol> <p>The above risks may have a material adverse effect on the Issuer's financial, economic and business condition. This may materially impair the Issuer's ability to repay its obligations under the Bonds.</p>
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PROSPECTUS

1.3 Key securities information

What are the main characteristics of securities?

<p><b>A description of the type and class of securities offered or admitted to trading, including the ISIN</b></p>	<p>Bonds in book-entry form with a fixed interest rate of 5.9% p.a. in bearer form, with an expected total nominal value of up to EUR 160,000,000, maturing in 2029, ISIN SK4000025938.</p> <p>The name of the Bonds is KKCG FINAN II 5,90/2029. The nominal value of one Bond is EUR 1,000.</p>																																												
<p><b>Currency Securities issued, number of securities issued and maturity dates</b></p>	<p>The bonds will be issued in euro. The maximum number of Bonds that may be issued is 160,000 units in the event of the entire Issue being issued. Unless the Bonds are redeemed prior to maturity or purchased by the Issuer and extinguished in accordance with the Terms and Conditions of the Bonds, the Bonds will mature in one lump sum on 17 October 2029.</p>																																												
<p><b>Description of the rights in relation to the securities</b></p>	<p>The rights in relation to the Bonds and the procedure for their execution are regulated by the legislation of the Slovak Republic, in particular Act No. 530/1990 Coll., on Bonds, as amended (hereinafter referred to as the <b>Bonds Act</b>), the Securities Act, the Commercial Code and Act No. 7/2005 Coll., on Bankruptcy and Restructuring, as amended (hereinafter referred to as the <b>Bankruptcy Act</b>). In accordance with the Terms and Conditions, the Bondholder has in particular the right to redemption of the nominal value, payment of the relevant interest income, the right to attend and vote at the Meeting and the right to demand redemption of the Bonds upon a change of control of the Issuer.</p> <p>The Issuer may, by notice to the Bondholders, determine that all or a specified portion of the Bonds (defined as a percentage of the Par Value equal to all Bondholders) shall become due and payable prior to maturity on January 17, April 17, July 17 and October 17 of each year. Notice must be given not less than 40 days in advance. The date of partial early redemption at the option of the Issuer must also be the interest payment date. The Issuer is obliged to repay to the Bondholder on the specified early redemption date the nominal value of each Bond (or the part thereof specified in the Issuer's notice) together with the ordinary interest income accrued to date and also the extraordinary yield of the Bond according to the following table:</p> <table border="1" data-bbox="414 1075 1420 1534"> <thead> <tr> <th>Early Redemption Day</th> <th>Extraordinary yield</th> <th>Early Redemption Day</th> <th>Extraordinary yield</th> </tr> </thead> <tbody> <tr> <td>17 January 2025</td> <td>11.49%</td> <td>17 July 2027</td> <td>1.33%</td> </tr> <tr> <td>17 April 2025</td> <td>10.16%</td> <td>17 October 2027</td> <td>1.18%</td> </tr> <tr> <td>17 July 2025</td> <td>8.81%</td> <td>17 January 2028</td> <td>1.03%</td> </tr> <tr> <td>17 October 2025</td> <td>7.45%</td> <td>17 April 2028</td> <td>0.89%</td> </tr> <tr> <td>17 January 2026</td> <td>6.06%</td> <td>17 July 2028</td> <td>0.74%</td> </tr> <tr> <td>17 April 2026</td> <td>4.65%</td> <td>17 October 2028</td> <td>0.59%</td> </tr> <tr> <td>17 July 2026</td> <td>3.22%</td> <td>17 January 2029</td> <td>0.44%</td> </tr> <tr> <td>17 October 2026</td> <td>1.77%</td> <td>17 April 2029</td> <td>0.00%</td> </tr> <tr> <td>17 January 2027</td> <td>1.62%</td> <td>17 July 2029</td> <td>0.00%</td> </tr> <tr> <td>17 April 2027</td> <td>1.48%</td> <td>17 October 2029</td> <td>0.00%</td> </tr> </tbody> </table> <p>The rights attaching to the Bonds will not be limited, except for general limitations arising from legislation relating to the rights of creditors generally (in particular under the Bankruptcy Act). The rights in relation to the Bonds shall become time-barred on the expiry of 10 years from the date of their maturity.</p>	Early Redemption Day	Extraordinary yield	Early Redemption Day	Extraordinary yield	17 January 2025	11.49%	17 July 2027	1.33%	17 April 2025	10.16%	17 October 2027	1.18%	17 July 2025	8.81%	17 January 2028	1.03%	17 October 2025	7.45%	17 April 2028	0.89%	17 January 2026	6.06%	17 July 2028	0.74%	17 April 2026	4.65%	17 October 2028	0.59%	17 July 2026	3.22%	17 January 2029	0.44%	17 October 2026	1.77%	17 April 2029	0.00%	17 January 2027	1.62%	17 July 2029	0.00%	17 April 2027	1.48%	17 October 2029	0.00%
Early Redemption Day	Extraordinary yield	Early Redemption Day	Extraordinary yield																																										
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<p><b>Description of the order of priority of the Bonds in the event of insolvency of the Issuer</b></p>	<p>The obligations under the Bonds will constitute direct, unconditional, unsubordinated and (after the creation of the Security and to the extent thereof pursuant to the Terms and Conditions) secured obligations of the Issuer which are <i>pari passu</i> with each other and will rank at least equally (<i>pari passu</i>) in the order of their satisfaction with all other present and future direct obligations, unconditional, unsubordinated and similarly secured obligations of the Issuer, except for those obligations of the Issuer so provided by mandatory provision of law. The Issuer undertakes to treat all Bondholders equally.</p> <p>Notwithstanding the foregoing, under the Bankruptcy Act, any claim under the Bonds against the Issuer for which a creditor is or at any time during the existence of the claim was a person who is or at any time since the claim arose was a related person of the Issuer within the meaning of Section 9 of the Bankruptcy Act will be subordinated. The foregoing does not apply to claims of a creditor who is not related to the bankrupt and did not know and, even with the exercise of reasonable diligence, could not have known at the time of acquiring the related claim that it was acquiring a related claim. It is presumed that the creditor of a claim under the Bond acquired on the basis of a trade on a regulated market, multilateral trading facility or similar foreign organised market did not know of the relatedness of the claim.</p>																																												

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<b>Description of any restrictions on the free transferability of the securities</b>	The transferability of the Bonds is not restricted but, unless contrary to law, transfers of the Bonds in the CDCP may be suspended in accordance with the Terms and Conditions under certain conditions, commencing on the day immediately following the relevant record date (which is defined in the Terms and Conditions depending on the particular circumstances that may arise) until the relevant redemption date of the nominal amount of the Bonds.
<b>Bond yield and redemption procedure</b>	The bonds will bear interest at a fixed rate of 5.9% p.a. Interest income will be paid semi-annually in arrears on 17 April and 17 October of each year. The first payment of interest income will be made on 17 April 2025.

**Where will the securities be traded?**

<b>Admission of the Bonds to a regulated or other market</b>	The Issuer will apply through the Listing Agent for the Bonds to be admitted to trading on the regulated free market of the BSE, but no assurance can be given that the Bonds will be admitted to trading by the BSE.
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**What are the key risks specific to securities?**

<b>The most significant risks that are specific to the Bonds</b>	<p>In particular, the most significant risk factors relating to the Bonds include the following legal and other facts:</p> <ol style="list-style-type: none"> <li>1. <b>Early Redemption Risk</b> - The Issuer may elect, in accordance with the Terms and Conditions, to redeem the Bonds early on a specified date upon prior notice. In this case, investors are exposed to the risk of a lower than expected return, which may not be covered even by the compensation in the form of an extra yield of the Bond.</li> <li>2. <b>Fixed Interest Rate Risk</b> - The value of the Bonds may decline due to a general decline in the market for debt securities. A holder of Fixed Rate Bonds is also exposed to the risk of a decline in the price of such Bond due to a change in market interest rates.</li> <li>3. <b>Risk of no statutory guarantee or deposit protection scheme</b> - The Issuer is neither a bank nor a regulated institution. The claims of the Bondholders are not covered by any statutory guarantee under the law of the Slovak Republic, protection scheme or other similar insurance or right to indemnity, e.g. from the Investment Guarantee Fund, in the event of the Issuer's inability to repay its obligations under the issued Bonds.</li> <li>4. <b>Taxation and withholding tax risk</b> - Investors are exposed to the risk of possible liability for taxes or other payments in accordance with the laws and customs of the state in which the Bonds are transferred or any other relevant state. The proceeds of the Bonds may also be subject to withholding tax. As a result, the resulting yield on the Bonds may be lower than investors anticipated or investors may be paid less than they expected upon sale.</li> <li>5. <b>Fees and other expenses may affect the return on an investment in the Bonds</b> - The total return on an investment in the Bonds may be affected by the level of fees charged by the Joint Lead Managers, securities dealers or other intermediaries. Investors should carefully review these fees in advance or they may be exposed to the risk that the return on the Bonds will be less than they anticipated or that they will be paid less than they expected on a subsequent sale.</li> <li>6. <b>Inflation risk</b> - The Bonds do not contain an anti-inflationary clause. Thus, the eventual returns from an investment in the Bonds may be affected by inflation, which reduces the value of the currency and thus adversely affects the real return on the investment. If the value of inflation exceeds the expected annual yield to maturity, the value of the real yield on the Bonds will be negative.</li> <li>7. <b>Risk associated with the Security Agent</b> - The Security Agent, which is the common representative of the Bondholders under the Bond Act, represents the Bondholders in the creation and enforcement of pledges, and the pledge is created only for the benefit of the Security Agent. Accordingly, the Bondholders may not individually exercise the pledge. Although the Bondholders may individually demand early redemption of their Bonds in the event of a breach of the Issuer's obligations, the enforcement of the pledge will only be possible after a resolution of the Meeting and through the Security Agent.</li> <li>8. <b>Allwyn Stock Value Risk</b> - The Bonds are secured by, among other things, a pledge of certain shares of Allwyn stock. The value of the shares will depend on market and economic conditions, including the availability of suitable purchasers. The shares 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. The value of the Shares may decline over time and any adverse development in the Allwyn Group's financial results may also affect the value of the Shares.</li> </ol>
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	The above risks may have a material adverse effect on an investor's return on the Bonds. Should any of the risks materialise, the investor may even be repaid only part of the nominal value of the Bonds or lose the entire investment by the maturity of the Bonds.
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#### 1.4 Key information on the public offer of securities and/or admission to trading on a regulated market

##### Under what conditions and on what schedule can I invest in this security?

<b>General terms and conditions of the public offer</b>	<p>In the context of the primary sale (subscription) through a public offering in the Slovak Republic and the Czech Republic, the activities related to the issuance and subscription of the Bonds will be carried out by the Joint Lead Managers, i.e. J&amp;T BANKA, UCB and PPF banka.</p> <p>The public offer through the primary sale (subscription) of the Bonds will run from 18 September 2024 to 12 September 2025 (12:00 noon). The date of commencement of the issue of the Bonds (i.e. the commencement of the crediting of the Bonds to the relevant accounts) and the date of issue of the Bonds will be 17 October 2024. The Bonds will be issued on a continuous basis, with the expected period of issue of the Bonds (i.e. crediting of the Bonds to the relevant asset accounts) ending no later than one month after the expiry of the subscription period for the Bonds or one month after the subscription of the highest amount of the nominal values of the Bonds (whichever is earlier). The minimum order amount is set per Bond. The maximum order amount (i.e. the maximum amount of the nominal value of the Bonds requested by an individual investor) is limited only by the highest amount of the nominal values of the Bonds to be issued.</p> <p>A condition of participation in the public offer is the proof of the investor's identity with a valid identity document. As a condition for acquiring the Bonds through each Joint Lead Manager, the investor must enter into an investment services agreement between the investor and that Joint Lead Manager and submit an instruction to purchase the Bonds pursuant to that agreement. Under the Public Offering in the Slovak Republic, (i) J&amp;T BANKA will accept instructions through its branch, J&amp;T BANKA, a.s., a branch of a foreign bank, Dvořákovo nábrežie 8, 811 02 Bratislava, Slovak Republic and (ii) UCB will accept instructions through its branch, UniCredit Bank Czech Republic and Slovakia, a.s., a branch of a foreign bank, Šancová 1/A, 813 33 Bratislava, Slovak Republic.</p>
<b>Estimated timetable for the public offer</b>	The public offer through the primary sale (subscription) of the Bonds will run from 18 September 2024 until 12 September 2025 (12:00 noon).
<b>Information on admission to trading on a regulated market</b>	The Issuer shall apply through the Listing Agent for admission of the Bonds to trading on the regulated free market of the BSE. However, no assurance can be given that the Bonds will be admitted to trading on the BSE. If the Bonds are admitted, the Bonds will be traded in accordance with the relevant rules of the regulated free market of the BSE. Other than an application for admission of the Bonds to trading on the regulated free market of the BSE, the Issuer has not applied and does not intend to apply for admission of the Bonds to trading on any domestic or foreign regulated market or exchange.
<b>Bond Distribution Plan</b>	<p>The Issuer intends to offer the Bonds by way of a public offering pursuant to the Prospectus Regulation in the Slovak Republic and the Czech Republic, which will be conducted by the Joint Lead Managers, in the case of an offering in the Slovak Republic, through their Slovak branches.</p> <p>Investors will be approached mainly by means of long-distance communication.</p> <p>The minimum amount for which an investor will be entitled to subscribe for and purchase Bonds is set at EUR 1,000, (i.e. the minimum order amount of an investor is set at one Bond). The maximum order amount (i.e. the maximum amount of the nominal value of the Bonds requested by an individual investor) is limited only by the highest amount of the nominal values of the Bonds to be issued.</p> <p>The Issuer is entitled to issue Bonds in a smaller volume than the highest amount of the nominal values of the Bonds, in which case the Issue shall be deemed successful. The foregoing includes the Issuer's ability to suspend or terminate the Offering at its discretion (depending on its current funding requirements), whereby, following the termination of the Offering, no further orders will be accepted and, following the suspension of the Offering, no further orders will be accepted until the Issuer publishes information on the continuation of the Offering. The Issuer will always publish information on the termination of the Offer, the suspension of the Offer or the continuation of the Offer in advance on a dedicated section of its website at <a href="https://investors.kkcg.com/">https://investors.kkcg.com/</a>.</p> <p>The Joint Lead Managers shall be entitled to reduce the volume of Bonds specified in investor orders/instructions at their sole discretion, but always on a non-discriminatory basis, in accordance with the execution strategy of the relevant Joint Lead Manager and in compliance with the law, including MiFID II. In the event of a reduction in order size, the relevant Joint Lead Manager shall return any overpayment to the investors concerned without undue delay to the investor's account for that purpose by notifying the relevant Joint Lead Manager.</p>

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	<p>After the Bonds have been subscribed and credited to the accounts of the Bondholders, the Bondholders will be sent a confirmation of the subscription of the Bonds, and trading in the Bonds may commence at the earliest after the issue of the Bonds and the admission of the Bonds to trading on the regulated free market of the BSE.</p> <p>In order for the primary settlement of the Issue to be successful (i.e. for the Bonds to be credited to the relevant accounts upon payment of the Issue Price), the subscribers of the Bonds must act in accordance with the instructions of the Joint Lead Managers or their nominees. In particular, if an subscriber of the Bonds is not itself a member of the CSD, it must establish the relevant account with the CSD or a member of the CSD. No assurance can be given that the Bonds will be duly delivered to the primary subscriber if the primary subscriber or the person holding the relevant account for it fails to follow all procedures and comply with all relevant instructions for the purpose of primary settlement of the Bonds.</p>
<p><b>Estimation of total costs of the Issue and/or the Offer</b></p>	<p>The total cost of preparing the Issue is approximately EUR 2,750,000.</p> <p>In connection with the primary sale (subscription) of the Bonds in the form of a public offer, J&amp;T BANKA will charge investors a fee according to its current fee schedule, which currently amounts to 0.60% of the transaction volume, but not less than EUR 3. The fee for a transaction to an account other than a holding account is set at 1.00%, but not less than EUR 400. As of the date of this Prospectus, the current standard price list of the Slovak branch of J&amp;T BANKA is published on its website <a href="http://www.jtbanka.sk">www.jtbanka.sk</a> in the section "Useful information" under the sub-section "Schedule of fees" under the link Schedule of fees Part I - natural persons not entrepreneurs, effective from 5 January 2024 and Schedule of fees Part II - legal entities and natural persons entrepreneurs, effective from 5 January 2024. The fees charged by other selected financial intermediaries to which the Issuer has granted its consent to use the Prospectus and which are not known at the time of the approval of the Prospectus, as well as other terms of the offering, will be disclosed to investors by the financial intermediary at the time of the offering of the Bonds.</p> <p>In connection with the acquisition of the Bonds through UCB in Slovakia, the investor in the Bonds will be charged in connection with the subscription instruction a fee of 0.25% of the total nominal value of the Bonds being acquired. In accordance with UCB's current price list available on UCB's website at <a href="http://www.unicreditbank.sk">www.unicreditbank.sk</a> (under <i>Cenníky, Fyzické osoby - nepodnikatelia</i>, section 10.4 <i>OBCHODOVANIE A SLUŽBY S CENNÝMI PAPIERMI - Poskytovanie služieb v rámci správy/evidencie</i>), UCB will also charge the current UCB fees for maintaining the Securities Account. Such fees shall not exceed 0.20% of the total nominal value of the Bonds registered in such account per annum, exclusive of GST, but not less than EUR 3 per quarter, exclusive of GST.</p> <p>In connection with the acquisition of the Bonds through UCB in the Czech Republic, the investor in the Bonds will be charged in connection with the subscription instruction a fee of 0.25% of the total nominal value of the Bonds acquired. In accordance with UCB's current price list available on UCB's website at <a href="http://www.unicreditbank.cz">www.unicreditbank.cz</a> (under <i>Sazebník, Fyzické osoby nepodnikající</i>, section 10.4 <i>Cenné papíry a podílové fondy - Poskytování služeb v rámci úschovy/správy</i>), UCB will also charge UCB's current fees for maintaining the securities account. Such fees shall not exceed 0.20% of the total nominal value of the Bonds registered in such account per annum, exclusive of value added tax, but not less than CZK 300, exclusive of value added tax.</p> <p>No initial fee will be charged to the investor in the Bonds in connection with the acquisition of the Bonds through PPF banka a.s. In accordance with the current price list of PPF banka a.s., which is available on the website <a href="http://www.ppfbanka.cz">www.ppfbanka.cz</a> (under <i>Important documents, Product information, Price lists</i>), each investor will be charged a fee for maintaining a securities account, which will not exceed 0.10% of the total nominal value of the Bonds registered in such account per annum.</p> <p>The Investor may be required to pay additional fees charged by the agent for the purchase or sale of the Bonds, the person keeping the records of the Bonds, the person settling transactions in the Bonds or any other person, i.e., e.g., fees for the establishment and maintenance of an investment account, for the execution of a transfer of the Bonds, services related to the recordkeeping of the Bonds, etc.</p>

**Who is the offeror and/or the person asking for admission of the securities to trading?**

<p><b>Description of the person offering the Bonds</b></p>	<p>The Bonds will be offered by the Issuer through the Joint Lead Managers.</p>
<p><b>Description of the person who will apply for admission to trading on a regulated market</b></p>	<p>The Issuer shall apply through the Listing Agent for admission of the Bonds to trading on the regulated free market of the BSE.</p>

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**Why is the Prospectus drawn up?**

<p><b>Use of proceeds and estimated net proceeds</b></p>	<p>The net proceeds received from the issuance of the Bonds will, after payment of all fees, costs and expenses, be made available to KKCG AG by way of a loan or other form of financing for the purpose of financing ordinary business activities as well as acquisitions, financial investments and operations, dividends or refinancing of existing loans. The proceeds of the Issue will not be used to finance activities and acquisitions in the fields of lottery, gaming or oil and gas extraction and processing.</p> <p>The expected net proceeds of the Issue (assuming the full expected nominal value of the Issue is issued and the expected composition of the investors) will be approximately EUR 157,250,000.</p>
<p><b>Method of placement of the Bonds</b></p>	<p>The Joint Lead Managers have covenanted to use all reasonable efforts that may reasonably be required of them to solicit potential investors in the Bonds and to place and sell the Bonds to such investors. The offering of the Bonds will thus be conducted on a "<i>best efforts</i>" basis. Neither the Joint Lead Managers nor any other persons have assumed any obligation to the Issuer to subscribe for or purchase the Bonds in connection with the Bonds.</p>
<p><b>Conflicts of interest of persons involved in the Issue or the Offer</b></p>	<p>The Joint Lead Managers may be motivated to sell the Bonds with respect to their incentive compensation (in the event of a successful sale), which may create a conflict of interest (although the Issuer has no knowledge of such facts). The Joint Lead Managers are obliged to take measures in the event of a conflict of interest as required by generally applicable law. The Joint Lead Managers shall participate in the Issue, in the ordinary course of their business, for which they shall be paid an agreed remuneration by the Issuer. Participation in the Issue may, in addition to the preparation of the Issue, consist of the subscription of all or part of the Issue on the primary market. The Joint Lead Managers may provide various banking services to the Issuer as part of their normal activities. There may be a potential conflict of interest of the Joint Lead Managers in the Issue between, on the one hand, the interests of the Joint Lead Managers in arranging the sale of the Bonds pursuant to the Bond Placing Agreement entered into between the Issuer and the Joint Lead Managers and, on the other hand, the interests of the Joint Lead Managers in providing investment services consisting of accepting and transmitting client orders, executing client orders on behalf of the client or providing investment advice to clients.</p> <p>J&amp;T BANKA also acts as Administrator, Listing Agent and Security Agent.</p> <p>Other than the foregoing, there are no known interests material to the Issue and offering of the Bonds.</p>

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**2. RISK FACTORS**

*In purchasing the Bonds, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make payments due in respect of the Bonds. There are a wide range of factors which, individually or in combination, may result in the Issuer being unable to make payments due in respect of the Bonds. As at the date of this Prospectus, it is not possible to identify all possible risks involved or to determine which risks are most likely to occur. The Issuer may not be aware of all relevant risks as at the date of this Prospectus and risks that the Issuer does not currently consider to be material may become material as a result of matters beyond the Issuer's control. The Issuer has identified in the Prospectus a number of factors that could have a material adverse effect on its business or ability to make payments due under the Bonds.*

*Also described below are factors that have been identified as material for the purpose of assessing the market risks associated with the Bonds.*

*Prospective investors should also read the detailed information set out elsewhere in this Prospectus and form their own opinion before making any investment decision.*

*Risk factors are listed in categories according to their nature, with the most significant risk factor listed first in each category.*

**2.1 Risk factors related to the Issuer**

***Risk associated with the Issuer of a special purpose vehicle with no business history***

The Issuer is a company established for the purpose of issuing the Bonds, providing the proceeds of the Issue by way of an intra-group loan or other form of financing to KKCG AG and the subsequent administration of such loan or other form of financing. The Issuer does not carry on any other business and therefore cannot generate funds from other business activities for the repayment of the obligations under the Bonds. Although the obligations under the Bonds are secured by a pledge of certain of Allwyn's shares, 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 obligations under the Bonds.

***Risk of secondary dependence***

The Issuer will use the proceeds of the Issue to provide financing to KKCG AG by way of an intra-group loan or other form of financing. As the Issuer does not itself carry on any business activities, the Issuer's ability to repay its obligations under the Bonds depends on the ability of KKCG AG and its subsidiaries to generate sufficient funds from their operations to repay their obligations to the Issuer.

As of 31 December 2023, 72.8% of the KKCG Group's consolidated revenue is generated through the Allwyn Group, while the other activities of KKCG AG's subsidiaries account for 27.2% of the KKCG Group's consolidated revenue, as shown in the chart below. As of 31 December 2022, the consolidated revenues of the Allwyn Group represented 30.8% of the consolidated revenues of the KKCG Group.

KKCG Group consolidated revenue (all figures in EUR million):

	<b>2023</b>	<b>2022</b>
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
Other	67	0
<b>Total revenue</b>	<b>10,827</b>	<b>12,947</b>
<i>*excluding Springtide Ventures s.r.o. (included in Other)</i>		

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As of 31 December 2023, 90.6% of the KKCG Group's consolidated EBITDA (as this indicator is explained in section 7.3 of the Prospectus) was generated by the Allwyn Group, while the other activities of KKCG AG's subsidiaries accounted for 9.4% of the KKCG Group's consolidated EBITDA, as shown in the following chart. As at 31 December 2022, the consolidated EBITDA of the Allwyn Group represented 82.7% of the consolidated EBITDA of the KKCG Group.

Consolidated EBITDA of KKCG Group (all figures in EUR million):<sup>1</sup>

	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
Other	(43)	(99)
<b>Total EBITDA</b>	<b>1,421</b>	<b>1,278</b>
<i>*excluding Springtide Ventures s.r.o. (included in Other)</i>		

Although KKCG Group is also active in other sectors (mainly 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 real estate subsidiaries), is primarily exposed to risks affecting the lottery and gaming activities of the Allwyn Group and, therefore, the Issuer's ability to repay its obligations under the Issue may be adversely affected by all of 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, in certain circumstances, conflict with the interests of the Issuer. The interests of the Bondholders may also be compromised by the interests of certain members of the Allwyn Group or their shareholders or partners, which may have a material adverse effect on the investments of the Bondholders. Conflicts of interest may arise in the exercise of the Issuer's directorships because directors are also members of the boards of other companies and promote the interests of those companies or the interests of persons controlled by them. The repayment of the Bonds is largely dependent on the economic results of KKCG AG.

***Risk of temporary protection granted under a preventive public restructuring***

With effect from 17 July 2022, the Issuer may, pursuant to Act No. 111/2022 Coll. on impending bankruptcy, which, among other things, amended the institute of temporary protection, apply for authorisation of a public preventive restructuring (subject to compliance with specified conditions) in the event of financial difficulties, under which the Issuer will be granted temporary protection.

The competent court shall grant interim protection only if (a) a majority of the creditors, according to the amount of the unallocated claims, have consented to its granting, or (b) at least 20% of all creditors, according to the amount of their unallocated claims, have consented to its granting, provided that, in the concept of the plan, no creditor's claim may exceed a partial waiver or a recognition of partial unenforceability of 20% of its claim and, at the same time, the suspension of repayment of any claim shall not exceed one year.

The consequences of granting temporary protection to the Issuer include, but are not limited to, (i) active and passive bankruptcy immunity; (ii) the inability for a claim under the Bonds in execution or in enforcement of a judgment to attach a business, thing, rights or other property belonging to the Issuer's business; and (iii) restrictions on the redemption of obligations under the Bonds. Temporary protection may be granted for a maximum of six months in total.

<sup>1</sup> Source: KKCG Group financial statements.

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***Risk associated with the legal, regulatory, tax environment and legal or other proceedings***

The legal, regulatory and tax environment in Slovakia, where the Issuer will operate, is subject to change and laws are not always interpreted and applied uniformly by the courts and public authorities. Continuous changes in laws or changes in their interpretation in the future may adversely affect the Issuer's operating activities and financial prospects, in particular changes in tax regulations in Slovakia (which are subject to repeated changes, such as the Income Tax Act, which has been amended annually, sometimes several times, since its enactment in 2004), given that they may adversely affect the manner in which intercompany financing is repaid, which may adversely affect the Issuer's ability to meet its obligations under the Bonds.

As at the date of this Prospectus, there are no disputes or proceedings pending which could jeopardise or materially adversely affect the Issuer's results of operations or financial position. However, potential litigation in the future may, to some extent and for some time, restrict the Issuer from disposing of its assets as well as result in additional costs on the Issuer's part. Potential breaches of legislation (of whatever nature, including unintentional) may lead to the imposition of sanctions, including financial sanctions or sanctions consisting of suspension or prohibition of activities.

***Risk of crisis of the Issuer and crisis legislation***

The Issuer is likely to be in crisis as a result of a significant increase in its liabilities (without a concomitant increase in equity) by the issue of the Bonds and it is possible that it will be in crisis until the maturity of the Bonds, as will be evident from the Issuer's published financial statements for 2024 and also the subsequently published financial statements. A crisis is defined in section 67a et seq. of the Commercial Code (effective as of 1 January 2016) means a situation where a company is bankrupt or threatened with bankruptcy, and a company is threatened with bankruptcy if the ratio of the amount of the company's equity to its liabilities is less than 8 to 100 (for the purposes of this risk factor, hereinafter referred to as **crisis**). The fact that the Issuer is in Crisis does not constitute an Event of Default and does not constitute a reason for the early redemption of the Bonds within the meaning of the Terms and Conditions.

Companies that have been established for the purpose of raising funds (e.g. by issuing bonds), which include the Issuer, will generally face a crisis as a result of a significant increase in their liabilities (without a concomitant increase in equity) through the issuance of bonds or the receipt of external bank financing and/or intra-group indebtedness. If a sole shareholder or other KKCG Group company provided intra-group financing to an Issuer that was in crisis, the Issuer could be subject to restrictions on repaying the indebtedness to the shareholder or other Group company because it could be considered under the Commercial Code to be a consideration in lieu of its own sources of financing, which (subject to exceptions) could not be repaid if the Issuer were in crisis or were to fall into crisis as a result of the repayment. The inability to repay such intercompany indebtedness may affect the Issuer's ability to meet its obligations to the Bondholders.



## 2.2 Risk factors relating to the Allwyn Group

The risk factors relating to the Allwyn Group are divided into:

- (i) financial risk factors;
- (ii) operational risk factors; and
- (iii) risk factors relating to the Allwyn Group's business and regulation.

### **Financial risk factors**

#### ***Credit risk***

The Allwyn Group is exposed to credit risk representing the potential losses that the Allwyn Group may incur if debtors, such as customers or clients, fail to meet their payment obligations in a timely and orderly manner. Credit risk arises from transactions with counterparties from which the Allwyn Group incurs financial claims. This includes credit risk associated with normal operating activities (trade receivables) and financing activities (bank deposits, loans to third parties and other financial instruments). On 31 December 2023, the Allwyn Group's current trade and other receivables amounted to EUR 975 million and other current financial assets amounted to EUR 32 million.

Notwithstanding any measures to limit credit risk within the Allwyn Group, the failure of a counterparty or counterparties may result in losses that could adversely affect the Allwyn Group's business, results of operations and financial condition.

#### ***Liquidity risk***

The Allwyn Group is exposed to liquidity risk. Liquidity risk means that the Allwyn Group will not have sufficient resources to cover its outstanding receivables, such as payables to suppliers, employees or financial institutions. Part of the Allwyn Group's liquidity management strategy is to hold a portion of its assets in the form of highly liquid resources (financial assets). A shortfall in available resources could adversely affect the Allwyn Group's business, results of operations and financial condition. As of 31 December 2023, the Allwyn Group's total current assets amounted to EUR 2,867 million, while its total current liabilities amounted to EUR 2,795 million.

#### ***Interest rate risk***

An increase in interest rates also means an increase in the cost of finance and therefore makes foreign capital more expensive to finance. Interest rate risk is mainly associated with long-term loans and borrowings. The Allwyn Group uses external debt financing sources or financial market instruments to finance its investment and development activities, and these liabilities potentially bear interest at variable rates. The Allwyn Group monitors financial market developments on an ongoing basis and, depending on the situation, decides whether to opt for fixed or floating rate borrowings. The interest rates on loans and borrowings are based on PRIBOR, EURIBOR, SONIA or SOFR.

As of 31 December 2023, 38% of the Allwyn Group's drawn financial liabilities carry floating interest rate risk. Fluctuations in market (benchmark) interest rates may adversely affect the cost of debt financing.

#### ***Risks associated with the Allwyn Group's indebtedness***

The Allwyn Group is heavily indebted and is expected to continue to be heavily indebted for the foreseeable future. This indebtedness carries with it restrictive covenants and *financial maintenance covenants* which limit its financial and operational flexibility as well as default and cross-default provisions. In future years, the Allwyn Group will be required to make amortisation payments and

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repay or refinance its indebtedness. The following table summarises the maturity profile of the Allwyn Group's debt (in EUR million) as of 31 December 2023:

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

In the worst case scenario, a real or threatened inability to pay debts as they fall due could lead to insolvency. Events such as breaches of financial covenants, real or anticipated deterioration in financial performance, for example due to loss of licenses or legal proceedings, could also adversely affect the credit ratings of Allwyn Group companies. A downgrade in credit ratings could potentially increase the cost of financing or even prevent the refinancing of debt as it matures. In addition, certain existing indebtedness contains covenants that materially limit the Allwyn Group's financial and operating flexibility. In particular, these covenants restrict the Allwyn Group's ability to incur additional debt, grant pledges to third parties, dispose of significant assets, undertake organizational arrangements such as mergers, changes in legal form, joint ventures or similar transactions, and enter into transactions with related parties. In addition, certain of the Allwyn Group's other financing arrangements contain certain restrictive covenants, including financial covenants that may limit the Allwyn Group's ability to conduct its business.

**Operational risk factors**

***Allwyn's risk as a holding company***

As a holding company that conducts its 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 - principally dividends and intercompany loan payments, which are dependent on the profitability and cash flows of the respective entities.

Although subsidiaries and equity method investees generate sufficient cash from their operations, their ability to provide funds to Allwyn is subject to, among other factors, local tax and company law restrictions, as well as regulatory restrictions relating to earnings, the level of legal or statutory reserves, prior year losses and capitalization requirements, capital controls and the terms of any applicable shareholder agreements, or may be further limited by measures imposed by local governmental authorities.

***The Allwyn Group may not be able to attract, train or retain key management and skilled employees.***

The success of the Allwyn Group is largely dependent on the performance of its key senior management and employees, who are principally 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 these directors and employees or difficulties in recruiting new employees may have an impact on the Allwyn Group and its ability to execute its strategy. If any of these key employees cease to work with the Allwyn Group, its operations and the execution of its strategy may be materially impaired. It may not be able to replace them in a timely manner with other professionals who would be able to contribute in a comparable manner.

The Allwyn Group relies on its ability to recruit, retain and train qualified operational, technical and other personnel. Its ability to execute its long-term strategies depends on the skills and performance of its employees. The loss of qualified employees and the inability to recruit, train and retain suitably qualified employees for positions requiring technical training and the ability to keep pace with

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technological advances may affect its ability to execute its long-term strategy. Although the Allwyn Group has not experienced significant changes in the level of employee attrition, if qualified and skilled employees leave or are unable to succeed in new positions, or if the Allwyn Group is unable to attract, retain, train and motivate additional qualified and skilled employees, the Allwyn Group may have difficulty conducting its business, which could have a material adverse effect on the Allwyn Group's business, results of operations and financial condition.

***Impact of global geopolitical and macroeconomic developments***

The Allwyn Group is exposed to political, economic and financial market conditions in the countries in which it operates and in other countries into which it may expand. Any significant political events or changes, such as elections, may result in changes in regulation, restrictions on doing business in that 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 in the countries in which it operates. Political and economic events or changes may result in changes in regulation, taxes, restrictions on capital flows, dividend payments and other negative impacts on the business in that country, as well as other policy decisions.

Macroeconomic factors in the countries in which the Allwyn Group operates can affect input costs as well as consumer behaviour and spending. Inflation rates have increased in recent years, mainly as a result of higher energy prices. Higher inflation may adversely affect the Allwyn Group's cost base as well as consumers' disposable income, thereby reducing demand for its products. Higher inflation has also led to an increase in interest rates, which may adversely affect consumer sentiment and increase the Allwyn Group's financing costs.

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

The ongoing Russian invasion of Ukraine, as well as instability in the Middle East, has led and may continue to lead to disruption, instability and volatility in global markets and economies, including those in which the Allwyn Group operates, which could adversely affect the Allwyn Group's business.

In the wake of Russia's invasion of Ukraine, the EU, UK, US and other governments have imposed strict sanctions and export controls on Russia and Russian interests. In retaliation, Russia may impose counter-sanctions and launch cyber-attacks against these countries, their governments, infrastructure and businesses. Credit, financial and commodity markets are experiencing periods of extreme volatility and disruption as a result of the conflict.

There is the possibility of further global economic consequences, including the possibility of a significant reduction in liquidity and credit availability, a fall in consumer confidence, a decline in economic growth, an increase in inflation and energy prices, and uncertainty about economic and political stability. The 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 that the Allwyn Group cannot yet foresee, may have an adverse effect on its business, financial condition or results of operations.

***Risk of unforeseeable events***

An unforeseeable event (e.g. natural disaster, terrorist attack) that causes disruption in the financial markets or rapid movements in exchange rates may adversely affect the Allwyn Group's business. The negative impact of such events could lead to a reduction in the return on funds invested by the Allwyn Group. The Allwyn Group's financial performance may also be affected by a global event (political,

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economic or otherwise) occurring in a country other than the country in which the Allwyn Group operates.

**Risk factors associated with the Allwyn Group's business and regulation**

***Regulatory risks, risk of change, potential loss of licences or exclusive rights to conduct the Allwyn Group's business***

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

The Allwyn Group must obtain, maintain and comply with the terms and conditions of licenses and concessions in order to operate lotteries and gambling in each country in which it operates. This requires the Allwyn Group to ensure the continued suitability of its operations, key employees and shareholders to avoid non-compliance, suspension and termination of licences or fines. Despite Allwyn's best efforts to comply with relevant regulations and cooperate with regulatory authorities, it may not be able to obtain, maintain and renew all necessary registrations, licences, permits and approvals, or may be subject to fines or delays in the licensing process.

A number of licences or similar permissions of the Allwyn Group companies, including most of their lottery licences, provide exclusive rights to offer various lottery and gaming products. This is the case, for example, with the Group companies' lottery licences in Austria, Greece and Cyprus, Italy, the United Kingdom and the State of Illinois in the United States. Generally, licenses are granted for a fixed term and expire after a certain period of time:

- (a) In Italy, the exclusive licence to operate fixed-odds numerical lotteries will expire in November 2025;
- (b) In Greece, the exclusive licence to operate instant lotteries expires in 2026, the licence to operate iGaming expires in 2028, the licence to operate numerical lotteries and offline sports betting expires in 2030, the licence to operate video lottery terminals (the **VLTs**) expires in 2035 and the licence for horse racing expires in 2036;
- (c) In Austria, the exclusive lottery and iGaming licences expire in 2027 and the licences for six land-based casinos expire in the same year; in 2030, the licences for a further six land-based casinos expire;
- (d) in Illinois, United States of America, the private management contract under which the Allwyn Group operates will expire in 2027; and
- (e) in the United Kingdom, Allwyn Entertainment Ltd (**Allwyn UK**) licence will expire in February 2034.

The following table summarises the licences held by the Allwyn Group companies and their carrying value (EUR million):

Book value of licences		Useful lifetime	31	31
			December 2023	December 2022
Austrian lottery	Licence to operate numerical lotteries in Austria	Indefinite	192.1	192.1
OPAP	Licence to operate VLTs in Greece	(11 years)	371.2	404.9
OPAP	Licence to operate lottery games in Greece	(7 years)	253.1	290.6

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Allwyn North America Inc.	Illinois Lottery Private Operation License	(4 years)	51.8	-
Hellenic lottery	Licence to operate scratchcards in Greece	(2 years)	15.9	31.7
Allwyn United Kingdom	Licence to operate the UK National Lottery	(10 years)	14.1	13.8
SAZKA	Gaming licence	(8 years)	12.8	14.8
	<i>Other individually insignificant</i>		<i>41.5</i>	<i>67.7</i>
<b>Total</b>			<b>952.5</b>	<b>1 015.6</b>

Upon expiry, new licences, concessions or agreements may be granted to one or more parties on the basis of a competitive tender. Although the Allwyn Group may be able to legally challenge the grant of a new licence to a competitor or the terms on which a new licence is granted, it may not always be able to obtain new licences to enable it to continue its current operations or may only be able to do so on less favourable terms. For example, a licence to operate 10 casinos in the German Land of Lower Saxony, currently held by a subsidiary of Casinos Austria International, was granted to a competitor for a further licence period (2024-2039). However, due to ongoing disputes over the outcome of the tender, the company's existing licence has been extended for a maximum period until August 2025.

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

As a result of this regulatory background, maintaining good relations with relevant governments and governmental bodies is important to the Allwyn Group and any change in governments or regulatory bodies or deterioration in 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 UK, the Government published a White Paper following a review of gambling regulations under the Gambling Act 2005. The UK Gambling Commission will introduce new requirements following a consultation on proposed reforms. Although these requirements do not have any material impact on the Allwyn Group's UK lottery operations as they are not covered by the Gambling Act 2005, wider developments in the regulatory environment could lead it to review certain policies or procedures.

Kaizen Gaming Holding Limited (**Kaizen**), in which the Allwyn Group has a minority interest, operates in markets where, amongst others, the regulatory environment is rapidly evolving, including a number of markets in Latin America which are at various stages of implementing regulation or local licensing regimes for online gaming for the first time.

For example, Brazil adopted new legislation on online sports betting and iGaming in December 2023. Licences are expected to be issued in 2024 and Kaizen has applied for a licence. The new licensing and tax regime will change the dynamics and economics of the Brazilian market. The new regulatory regime will come into effect in January 2025

The regulatory environment in the 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 Allwyn Group's legal, compliance and regulatory departments endeavour to ensure compliance with all applicable rules and regulations in the relevant jurisdictions and to oversee the acquisition, maintenance and compliance with relevant licences and concessions. However, if it is unable or fails to comply with all applicable regulatory requirements, it could also have a material adverse effect on its business, results of operations, financial condition and prospects.

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***Risk associated with changes in taxation and licence fees, tax audits and penalties***

The Allwyn Group is liable to the countries in which it operates for licence fees and/or retention fees, income taxes (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, the Czech government has increased the tax rate on sports betting (from 23% to 30% of gross gambling revenue) with effect from 1 January 2024. The increased tax rate will affect the operations of the Czech Republic segment as well as Kaizen Gaming CZ Limited, a significant business in which the Allwyn Group has invested using the equity method.

The level of taxation on players' winnings may also affect their activities, as it may reduce the attractiveness of the game and the amount of winnings that each player can set aside for future betting. For example, with effect from 1 January 2024, the Czech government has reduced the tax exemption limits applicable to gambling revenue from CZK 1 million to CZK 50,000.

The Allwyn Group may also be subject to higher tax rates or additional fees in the event of a successful licence renewal or extension.

As a result of recent adverse macroeconomic developments, many countries are under increased fiscal pressure, which may increase the likelihood of adverse changes in general corporate taxation or, in particular, in the taxation of lotteries and gambling. Such changes may be more likely to be introduced in countries where general corporate and/or gambling taxes, or the cash receipts from these taxes, are at relatively lower levels. In the case of Greece and Cyprus, under OPAP's lottery and gaming concession and under Greek law, from 13 October 2020 to 12 October 2030, the gambling-specific taxes to be paid by OPAP in cash to the Greek State under this concession amount to 5% of gross profits per annum, reflecting OPAP's 2011 advance tax payment of EUR 1.8 billion. At the end of 2030, OPAP may be required to pay an additional amount based on the actual GGR during the concession period if the amount of actual GGR exceeds the amount of the estimated GGR for which the advance was paid. Similarly, in February 2021, the Austrian government announced that it intends to adjust taxes and levies on gambling.

In addition, in the Czech Republic segment, SAZKA, a subsidiary of the Allwyn Group, is part of a VAT group with related parties that are part of the KKCG Group but are not part of the Allwyn Group (the **VAT Group Members**). Should these Related Parties fail to pay the VAT they owe, SAZKA could be liable to pay these 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 received VAT refunds of EUR 0.8 million and EUR 0.5 million. If the VAT group were to dissolve for any reason, SAZKA would lose the annual savings of approximately EUR 7.4 million that it currently derives from this arrangement. The Allwyn Group may also be exposed to corporate income tax liability in the Czech Republic on unrealised foreign exchange gains that represent non-cash income.

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

In order to minimise the risk of any penalties, the Allwyn Group's finance departments, together with their advisers, monitor the development of each jurisdiction's tax policy and produce policies and procedures to ensure full compliance with all applicable tax regimes.

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



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The gaming industry is characterised by rapidly changing technologies, including the increasing importance of online and mobile channels, the growth of which has accelerated due to the impact of the COVID-19 pandemic, as well as the evolution of the products on offer.

The Allwyn Group already offers a range of online products to its customers. However, it may not be able to keep pace with necessary technological or product advances in the future or may not have the financial resources necessary 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 the approval of any new technologies used and products offered by the relevant regulatory authorities.

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

In addition, it is increasingly using artificial intelligence (AI) to identify players and personalise the services it offers, as well as in parts of its responsible gaming technologies. However, AI-related technologies are characterised by the frequent introduction and enhancement of new platforms and applications and the development of industry standards that can be costly or with which the Allwyn Group is unable to keep pace. The use of new AI technology could lead to errors or problems that only become apparent once the technology is deployed and made available to customers. Such errors or problems could harm its reputation, threaten 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 whether it can attract and retain players. To achieve this, it strives to maintain the value of the key brands it owns or uses in its business. Failure to maintain the high profile, positive perception and consumer recognition of its brands may prevent it from expanding its existing customer base or lead to the loss of that base.

### ***Competitive risks***

The Allwyn Group competes with other forms of recreational and leisure activities and other gambling retailers, venues and channels. It faces competition from a number of companies and changes in laws and regulations as well as market liberalisation may increase the number of competitors and consequently affect its future profitability. In particular, the Allwyn Group faces competition from brick-and-mortar 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 gaming.

Although Allwyn Group companies hold exclusive licenses and concessions for certain products and games, they face intense competition in certain markets to obtain and renew these licenses and concessions. The Allwyn Group's main competitors in Europe in lotteries include Francaise de Jeux and Sisal (part of Flutter) and in sports betting and iGaming include Bet365, Entain, Flutter, Tipico, Unibet, Fortuna, TipSport, evoke and Interwetten.

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

The Allwyn Group may be adversely affected by competition from many types of operators operating in the gambling sector, including illegal operators. Illegal operations 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 can deprive the Allwyn Group of a significant volume of business. Illegal gaming structures may also be able to circumvent local taxes and

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regulations, allowing them to offer potentially more attractive products by increasing payouts to winners and failing to apply responsible gaming measures required by law and regulation. In addition, in some markets, the Allwyn Group businesses face competition from synthetic lotteries, which are websites, often based outside the countries in which the Allwyn Group businesses operate, where customers bet on the outcome of a lottery instead of buying lottery tickets (hereinafter referred to as **Synthetic Lotteries**). Legislation governing Synthetic Lotteries and certain other online operations is not always clear and continues to evolve. Such regulatory uncertainty can also create competitive pressures. As a result of such competition, players could spend less time or spend less money on the Allwyn Group's games and services, which in turn could lose customers.

***Risks associated with new acquisitions and tenders***

Any future company acquisitions, investments or partnerships could expose the Allwyn Group to a number of risks or lead to additional liabilities. The process of integrating businesses may disrupt its current operations or those of acquired businesses due to unforeseen legal, regulatory, financial, contractual, technological or other issues, or it may encounter difficulties in realizing operational synergies or in maintaining service quality. The historical accounting records and contracts of acquired or newly consolidated companies may be incomplete or may not be recorded or executed as required by applicable law. Due to the nature of the Allwyn Group's business, future acquisitions are subject to the risk of extensive regulatory approval and involvement in the acquisition process.

The Allwyn Group may be unsuccessful in tenders or in transactions it undertakes. This may occur if the relevant closing conditions are not met, for example, if the Group is unable to obtain the required regulatory approvals within the timeframes set out in the transaction agreement or as a result of a change in the regulatory framework. In addition, any tenders in which it participates or transactions it undertakes may be challenged by third parties.

In addition, acquired companies or businesses operated under licences that have been awarded in tenders may not achieve the expected level of revenues, profits or productivity or may require greater investment than expected.

In addition, there are significant costs and risks associated with participating in public tenders and carrying out potential M&A transactions. In the United Kingdom, following the award of The National Lottery licence (which commenced in February 2024), Allwyn UK has entered into certain agreements with the Gambling Commission and Camelot UK Lotteries Limited (**Camelot UK**) (as the outgoing licensee) governing the transition from Camelot UK to Allwyn UK and the operation of the new licence to operate The National Lottery. The fulfilment of the obligations under these agreements and the successful transition is partly dependent on third parties as well as the migration of the new lottery system from the existing system and the delivery of the new system within the 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 have an adverse impact on the potential profitability of Allwyn UK.

***Risks associated with the Allwyn Group's equity interests in certain subsidiaries and equity method investees***

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

For example, it owns the percentages for its significant subsidiaries and equity method investments in its four segments (as of 31 December 2023):

- (a) Casinos Austria AG (hereinafter referred to as **CASAG**) (59.70 % economic interest and voting rights) and Österreichische Lotterien GmbH (hereinafter referred to as **Austrian**

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- Lotteries**) (53.52 % economic interest and 73,8 % control of the voting rights, which is CASAG's share of the voting rights);
- (b) OPAP S.A. (hereinafter referred to as **OPAP**) (50.71 % economic and voting interest, excluding treasury shares held by OPAP); and
- (c) LottoItalia S.r.l. (hereinafter referred to as **LottoItalia**) (32.50 % economic interest and voting rights).

In addition, it owns 36,75 % in Kaizen and OPAP owns 84.5 % in Stoiximan Ltd (hereinafter referred to as **Stoiximan**). It expects to own 70% of Instant Win Gaming, the proposed acquisition of which was announced by the Allwyn Group in February 2024. Allwyn may have an interest in, and a view on, certain matters in which it will differ from other shareholders (for example, in relation to business strategy and financial policy, including in relation to the payment of dividends). In some cases, including LottoItalia and Kaizen, Allwyn's shareholding is minority.

In some cases, Allwyn is party to agreements with other shareholders that provide for management rights and other matters that may limit or eliminate Allwyn's ability to control these entities or contain a number of protective provisions for the benefit of these other shareholders. As a result, Allwyn may, in certain circumstances, need to agree with the other shareholders who are parties to these agreements in order to achieve certain results. Other shareholders, former shareholders and directors nominated by such shareholders in entities in which Allwyn does not have a 100% interest may face reputational or financial problems that are beyond Allwyn's control but that may adversely affect the business, licenses, reputation or brand of Allwyn's businesses and also Allwyn itself. Although Allwyn screens potential partners and strives to ensure that they act in accordance with high professional and ethical standards, this may not always be the case.

***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, network and central systems related problems, software failures, natural disasters, sabotage, computer viruses, hacking attacks, malware, phishing attacks, ransomware attacks and similar events.

Any disruption to technological systems could have a negative impact on the quality of the services offered and, as a consequence, on consumer demand and therefore on sales volumes. System interruptions, including those caused by third parties, may entitle the relevant regulatory authorities to revoke the concession or require the Allwyn Group to pay damages or compensation under the concession, as well as impair the customer experience and cause customers and other stakeholders to lose confidence in the Allwyn Group's product offering.

The Allwyn Group currently secures its systems through appropriate hardware, software and reliable processes, but any disruption to systems, delays or events that result in reduced service levels could lead to reduced performance or loss of service. Such an event could 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 gambling sector as hackers can penetrate programs and internal business processes, launch ransomware attacks and manipulate lottery draws. Although the Allwyn Group is moving towards strengthening its cyber defences by, for example, 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 proportion of lottery and gaming products to customers through authorised point of sale operators under sales agency agreements. The responsibilities of point of sale operators include taking deposits from customers, paying out small winnings, providing information, sales support and dealing with complaints and claims.

Some of the key products and services required to run 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, the Allwyn Group has only one supplier of such services at any given time. This reliance on a single supplier and the small number of such suppliers may make it difficult or costly to replace them. In addition, some of the Allwyn Group's suppliers may also be direct competitors of the Allwyn Group in various business relationships, including competition for licenses and concessions.

The Allwyn Group relies heavily on the products and services of its agents and suppliers and may face delays or disruption to its operations if these agents and suppliers fail to perform or are unable to perform their obligations under applicable contractual arrangements and may have to switch to a new supplier.

***Risks related to customer data***

The Allwyn Group is subject to regulations regarding the use of customers' personal information and their debit and credit card information. It handles sensitive personal information of customers and information about its agents, suppliers or employees. Allwyn Group must comply with applicable data protection rules. Examples include the EU's General Data Protection Regulation (**GDPR**) and the GDPR retained as domestic law in the UK.

Allwyn Group is exposed to the risk that data could be stolen, lost or disclosed, or processed in breach of data protection regulations by or on behalf of Allwyn Group. If the Allwyn Group fails to transfer customer information in a secure manner, or if such loss of customer personal data otherwise occurs, it could face liability and penalties under data protection legislation. This could also result in loss of reputation for existing Allwyn Group 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 failure to protect customer and payment data could result in sanctions from the relevant regulatory authorities as well as damage to the reputation of the Allwyn Group in the eyes of its customers. This could have a material adverse effect on the Allwyn Group's business, results of operations and financial condition.

***Risk of inadequate compliance practices and policies***

The Allwyn Group's activities are subject to anti-money laundering (**AML**), anti-bribery, anti-fraud detection and data protection laws and regulations, as well as economic sanctions programmes, including those administered by national regulatory authorities, 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 in connection with the offering of financial and payment services. In addition, failure to comply with the above laws and regulations in the jurisdictions in which it operates could result in substantial fines, loss of licenses and damage to the reputation of the Allwyn Group and its brands.

It may be confronted by both governments and state-owned commercial enterprises whose employees will act as foreign officials for the purposes of both transnational and domestic anti-bribery laws.

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Compliance systems are in place within the Allwyn Group to minimise risks in the above areas. Each relevant subsidiary has departments/units whose role is to ensure 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 be successful in protecting the Allwyn Group from money laundering and fraud or its customers from fraud, or may not be considered adequate by regulators.

Given the number of entities within the Allwyn Group, many of which have been recently acquired and operate under different reporting procedures and systems, significant effort is required to maintain proper controls, including financial reporting controls. However, despite its internal systems, its policies and procedures may not always be followed and may not always be effective in detecting and preventing violations of applicable laws by one or more 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 in which Allwyn is not, directly or indirectly, the sole shareholder, there is an increased risk that such entities, or its partners in such entities, do not have in place or will not implement policies and procedures designed to promote compliance with applicable laws and regulations. Such entities or partners of the Allwyn Group, or their policies and procedures, may not always be effective in detecting and preventing violations of applicable laws or in complying with applicable compliance requirements. As a result, certain subsidiaries of the Allwyn Group, entities in which the Allwyn Group has invested using the equity method or partners in such entities could be subject to sanctions, which could have a material adverse effect on its business, results of operations and financial condition as a result.

***Risks associated with negative perception and publicity of the lottery and gaming industry***

The gaming industry is subject to negative perceptions and publicity generated by a variety of sources, including civil society groups, NGOs, politicians, the media, national and local authorities and other groups, individuals and institutions.

Increased participation in certain games can lead to problem gambling for some individuals, which can have a significant negative impact on their economic and psychological well-being. The nature of lotteries (which account for over 70% of the Allwyn Group's revenue) limits the frequency with which players can gamble and the distribution of winnings involves a lower frequency of winnings compared to other forms of gaming, which reduces the likelihood of addictive gambling behaviour. This contrasts with other forms of gambling where players are more likely to become addicted and lose large sums of money due to the frequency with which they can play, more frequent wins and near wins and larger stake sizes. However, there is a risk that the public and political leaders do not distinguish between lotteries and other types of gambling and do not recognise the lower risk associated with lotteries.

Negative perceptions of the lottery and gaming industry in general, and the Allwyn Group's business in particular, may result in, among other consequences, lower revenues, loss of brand equity, loss of customer goodwill, changes in regulation and higher taxes, which may have a negative impact on the Allwyn Group's business. In particular, if the Allwyn Group, its brands, subsidiaries or equity method investees become associated with sites that are weak in terms of responsible gaming, this could have a material adverse effect on its business and reputation and could result in exclusion from participating in tenders for licensing.

The Allwyn Group monitors the gaming activities of its customers and actively communicates with the public and other stakeholders about responsible gaming. It faces, and will continue to face, increased scrutiny regarding its performance on environmental, social and corporate governance standards. The Allwyn Group has adopted compliance policies and procedures and focuses on the integrity of its management, employees and third party suppliers and partners. The Responsible Gaming Principles cover the entirety of the Allwyn Group's operations. All Allwyn Group subsidiaries



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and equity investee businesses offering lotteries are fully compliant with the highest level of responsible gaming certification in this area (Level 4 Responsible Gaming Certification issued by the World Lottery Association and the European Lottery 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 has not necessarily been amended to take into account the possibility of offering gaming services online. Some jurisdictions have introduced regulations that seek 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, amongst other things, developments in social networking, mobile platforms, legal and regulatory developments and other factors beyond the Group's control and which the Group cannot predict. In addition, as the online gaming industry evolves, including with respect to regulation in new and existing jurisdictions, it may be exposed to additional compliance costs. Allwyn has systems and controls in place to ensure that it only offers gaming products to players who are legally permitted to access its sites and applications and to purchase its products in the relevant jurisdictions. Nevertheless, there can be no assurance that it will successfully block customer access to its products in countries that restrict or prohibit online gaming or in countries where its respective businesses are not licensed to operate online gaming.

***Risks, particularly in sports betting, associated with fluctuations in payouts or betting results***

The Allwyn Group offers sports betting in countries such as Austria, the Czech Republic, Greece, Cyprus, Brazil, Germany, Portugal and Romania and in 2023 sports betting accounted for 9% of consolidated gaming revenue (**GGR**). Revenues from its sports betting activities may be volatile and cannot guarantee that they will be positive. In the sports betting business, winnings are paid out based on the bet placed and the odds written, and are not derived from the pool of betting monies received from all customers. A higher payout ratio has a negative impact on the GGR. In exceptional circumstances, the payout ratio could even exceed 100%, leading to a cash outflow. As a result, there is less certainty of achieving a positive result in the short term and the Allwyn Group may experience losses in relation to individual events or betting outcomes. There is also a risk of prizes exceeding the prize pool in statistically improbable scenarios for some lottery games based on draws that offer fixed prizes.

Any significant wins 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 determine the odds and structure of its games and performs statistical analysis to minimise the risks associated with fixed wins. However, it cannot exclude errors that may be related to misalignment of the odds creation and setting process or risk management errors. The systems and controls that the Allwyn Group has put in place to manage the risks associated with odds betting and fixed winnings may not be effective. As part of its risk management functions, the Group obtains certain information from third party information providers. Material misjudgements or errors by the Allwyn Group or such third party information providers in relation to the compilation of odds or other failures in its risk management could result in the Allwyn Group incurring material losses that could have a material adverse effect on its business, results of operations and financial condition.

***Risks arising from judicial, administrative and arbitration proceedings***

Members of the Allwyn Group are party to various civil, administrative and arbitration proceedings. In addition to the potential financial risk that the Allwyn Group may face in connection with the above litigation, litigation, whether successful or unsuccessful, could significantly affect the Allwyn Group's reputation in the marketplace as well as its relationship with customers or suppliers who may cease doing business with the Allwyn Group, and the actual proceedings and settlement of litigation may



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involve internal and external costs which, even if successful, may not be fully recovered, may drain senior management time or use other resources that would otherwise be used for other purposes within the Allwyn Group's business. Any of these additional litigation consequences could have a material adverse effect on the Allwyn Group's business, financial condition, results of operations, cash flows and prospects.

By way of illustration, as of 30 June 2024, third party claims related to terminated distribution agent agreements totalling EUR 309.5 million have been made against OPAP. Most of these claims relate to former distribution agent agreements, in respect of which the vast majority of recent court decisions have been in favour of OPAP (rejected claims amounting to EUR 300.8 million). The Court of First Instance partially accepted claims amounting to EUR 0.75 million; the Court of Appeal partially accepted claims amounting to EUR 0.16 million. In connection with three other actions brought by the former representative against OPAP seeking compensation for lost profits, the Supreme Court granted OPAP's motion in September 2023 and overturned the Court of Appeal's decision awarding a total amount of approximately EUR 3.0 million. The decision on the merits is still pending.

***Risks associated with communicable disease outbreaks***

A contagious disease outbreak on a global scale could significantly affect the Allwyn Group. For example, as a result of the global COVID-19 pandemic, government authorities and businesses around the world have implemented a number of measures designed to contain and limit the spread of COVID-19, including travel bans and restrictions, closure orders, business restrictions, shutdowns and other restrictions, which have included the suspension or cancellation of substantially all horse racing and sporting events during certain periods. As a result of such measures, most or all of the Allwyn Group's land-based sales outlets in Greece and Cyprus, its casinos in Austria and internationally and its VLT outlets in Austria were closed during certain periods in 2020 and 2021, while its online businesses experienced high levels of growth. If similar pandemics or epidemics occur in the future, this could result in a material adverse effect on its business, results of operations and financial condition.

## 2.3 Risk Factors Relating to the Bonds

The risk factors relating to the Bonds are divided into:

- (i) risk factors arising from the characteristics of the Bonds under the Terms and Conditions;
- (ii) legal and regulatory risk factors relating to the Bonds; and
- (iii) risk factors relating to the trading of the Bonds on the secondary market.

### **Risk factors arising from the characteristics of the Bonds under the Terms and Conditions**

#### ***Prepayment risk***

The Terms and Conditions allow for the early redemption of the Bonds (in whole or in part) at the option of the Issuer on 17 January, 17 April, 17 July and 17 October of each year, subject to notice and with relevant extraordinary yield calculated in accordance with article 17.3 of the Terms and Conditions. If the Bonds are redeemed prior to their maturity date, the Bondholder will be exposed to the risk of a lower than expected yield by reason of such early redemption. The amount of the extra yield on the Bond will not fully compensate for the lost interest income. The Bondholder is also exposed to reinvestment risk that the principal amount redeemed early may not be reinvested at a comparable rate in the prevailing market circumstances.

#### ***Fixed interest rate risk***

The value of the Bonds may decline due to a general decline in the market for debt securities. A Bondholder of Fixed Rate Bonds is also exposed to the risk of a decline in the price of such Note due to changes in market interest rates. While the nominal interest rate on the Bonds is fixed for the life of the Bonds, the current capital market interest rate (for the purposes of this paragraph, the **market interest rate**) varies. As the market interest rate changes, the value of the Fixed Rate Bonds also changes, but in the opposite direction. Thus, if the market rate of interest increases, the value of a Fixed Rate Note will generally fall to a level where the yield on such Note is approximately equal to the market rate of interest. Conversely, if the market interest rate decreases, the value of a Fixed Rate Note will generally increase to a level where the yield on such Note is approximately equal to the market interest rate.

### **Legal and Regulatory Risk Factors Relating to the Bonds**

#### ***Taxation cost risk and withholding tax risk***

Investors may be required to pay taxes or other payments in accordance with the laws and customs of the state in which the Bonds are transferred or any other state relevant to the situation. In some states, there may not be any official tax rulings or court decisions on financial instruments such as the Bonds. Investors should not rely on the brief and general summary of tax issues contained in this Prospectus to acquire, sell or redeem the Bonds, but should consult their own tax advisers for advice on their individual taxation. Potential changes in tax regulations may cause the resulting yield on the Bonds to be less than the investor anticipates or the investor may be paid less than the amount anticipated upon the sale or maturity of the Bonds.

Proceeds from the Bonds are subject to withholding tax in the Slovak Republic in respect of proceeds paid to taxpayers who are natural persons and to taxpayers not incorporated or established for business purposes. In view of the recent changes to the withholding tax on the proceeds of the Bonds, there is a risk of further adverse changes in the future. A Bondholder must bear all tax liabilities that may arise from any payment with respect to the Bonds, regardless of jurisdiction, governmental or regulatory authority, governmental unit, local tax requirements or fees. The Issuer will not compensate the Bondholders for any taxes, fees or other costs or deductions paid.

### ***Risk of subordination***

Pursuant to Act No.7/2005 Coll. on Bankruptcy and Restructuring and on Amendments and Additions to Certain Acts (hereinafter referred to as the **Bankruptcy Act**), any obligation of the Issuer, the creditor of which is or at any time during its existence was a person, which is or was a related person of the Issuer within the meaning of Section 9 of the Bankruptcy Act (hereinafter referred to as a **Related Obligation**) (A) shall, in a bankruptcy proceeding on the Issuer's assets conducted in the Slovak Republic, automatically be subordinated by operation of law to all other unsubordinated obligations of the Issuer and such Related Obligation shall not be discharged prior to the satisfaction of all other unsubordinated obligations of the Issuer to the creditors who have filed their claims in the bankruptcy proceeding on the Issuer's assets; (B) in the Issuer Restructuring, cannot be satisfied in the same or better manner as any other Unsubordinated Obligation of the Issuer to creditors who have filed their claims in the Issuer Restructuring. In view of the wording of the Bankruptcy Act, the foregoing may mean that a Bondholder who is not itself related to the Issuer may become a creditor of a Related Obligation if it acquires Bonds that at any time in the past were owned by a person related to the Issuer. The foregoing does not apply to claims of a creditor who is not related to the bankrupt and did not know and, even with the exercise of due diligence, could not have known at the time of acquiring the related claim that it was acquiring a related claim. Pursuant to Section 95(4) of the Bankruptcy Act, it is presumed that the creditor of a claim under the Bonds acquired on the basis of a trade on a regulated market, multilateral trading facility or similar foreign organised market did not know of the relatedness of the claim.

### ***Risk of absence of a statutory guarantee or deposit protection scheme***

The Issuer is neither a bank nor a regulated institution. The claims of the Bondholders are not subject to any statutory liability under the laws of the Slovak Republic, protection scheme or other similar insurance or right to indemnity, e.g. from the Investment Guarantee Fund, in the event of the Issuer's inability to repay its obligations under the issued Bonds.

### ***Risks arising from a change in the law***

The bonds are issued in accordance with the legislation of the Slovak Republic in force on the date of their issue. Changes in legislation and changes in judicial or official practice after the date on which this Prospectus has been drawn up may have an adverse effect on the rights and obligations of the Bondholders as well as on the financial position of the Issuer and, therefore, on its ability to meet its obligations under the Bonds in a proper and timely manner.

### ***Risk of legality of purchase of the Bonds***

Prospective investors in the Bonds (mainly foreign persons) should be aware that the purchase of the Bonds may be subject to legal restrictions affecting the validity of their acquisition. The Issuer does not have or assume responsibility for the legality of the acquisition of the Bonds by a prospective purchaser of the Bonds, whether under the jurisdiction of its incorporation or the jurisdiction in which it operates (if different). A prospective purchaser may not rely on the Issuer in connection with its determination as to the legality of its acquisition of the Bonds. This may adversely affect the value and development of an investment in the Bonds.

### ***Exchange rate and foreign exchange regulation risks***

The Issuer will pay principal and interest (if applicable in respect of the relevant Issue) on the Bonds in euro. This presents certain currency conversion risks if the Investor's financing activities are denominated primarily in a currency or currency unit (the **Investor Currency**) other than the currency of issue. It also includes the risk of a material change in exchange rates (including changes resulting from devaluation of the euro or revaluation of the currency of issue) and the risk that authorities having jurisdiction over the Investor's Currency may impose or change foreign exchange regulations. An appreciation of the Investor Currency against the currency of issue would reduce (i) the yield on the Bonds in the Investor Currency Equivalent, (ii) the value of the Investor Currency Equivalent in respect of the principal repayable on the Bonds, and (iii) the market value of the Bonds in the Investor

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Currency Equivalent. Governmental and monetary authorities may (and some have in the past) impose exchange controls which could adversely affect the relevant exchange rate. As a result, investors could receive lower than expected or even no returns on the Bonds or a lower than expected or even no Currency Value.

**Risk Factors Relating to the Trading of the Bonds**

***Inflation risk***

Inflation may affect the potential returns on an investment in the Bonds. The Bonds do not contain an anti-inflationary clause and the fair value of an investment in the Bonds may decline at the same time as inflation reduces the value of the currency. Inflation also causes the real yield on the Bonds to decline. If the value of inflation exceeds the value of the interest rate, the value of the real return on the Bonds will be negative. In June 2024, the annual rate of inflation in Slovakia was 2.1%.<sup>2</sup>

***Risk of insufficient liquidity of the Bonds when trading on the secondary market***

The Issuer will apply for admission of the Bonds to trading on the regulated free market of the BSE, but no assurance can be given that the Bonds will be admitted to trading. Even if the Bonds are admitted to trading on a regulated market, a sufficiently liquid secondary market for the Bonds may not develop and persist to enable investors to trade the Bonds at any time. In an illiquid market, it may not be possible to sell the Bonds at any time at an adequate price, which may have a negative impact, particularly on Bondholders who have invested in the Bonds for the purpose of trading them and making a profit from trading them rather than holding them to maturity. In the case of Bonds not admitted to trading on a regulated market, it may in turn be difficult to price such Bonds, which may adversely affect their liquidity. These facts may adversely affect the value of an investment in the Bonds.

***Risk of difference terms and price for the Bonds in a simultaneous primary/secondary offering***

The terms of the Primary Offering (conducted by the Issuer through the Joint Lead Managers) and the Secondary Offering (conducted by J&T BANK), if conducted concurrently, may differ (including the price and fees charged to the investor). If an investor subscribes for, or purchases, Bonds at a higher price (the price being either the issue price in the Primary Offering or the purchase price in the Secondary Offering), he bears the risk that the total return on his investment will be lower than if he had subscribed for, or purchased, the Bonds at a lower price. In addition, the price and the total amount thereof may also reflect any fees of the Joint Lead Managers or third parties associated with the offering (primary or secondary) and registration of the Bonds that are charged to the investor.

***The yield on an investment in the Bonds may be affected by fees and other expenses***

The overall return on an investment in the Bonds may be affected by the level of fees charged by the Joint Lead Managers, securities dealers or other intermediaries. The return on an investment in the Bonds will also be affected by the fees payable by investors. The total return on an investment in the Bonds will be affected for each investor by the level of fees charged to it in connection with the purchase, sale, and participation of the Bonds in the settlement system. These fees may include account opening fees, securities transfer fees or cash transfer fees. Investors should become thoroughly familiar with these fees before making an investment decision, including when purchasing Bonds on the secondary market. The amount of proceeds (the amount to be paid to Bondholders) may also be affected by other payments made in connection with the Bonds (such as taxes and other expenses). The Issuer therefore recommends that prospective investors in the Bonds familiarize themselves with the basis on which fees will be charged in connection with the Bonds.

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<sup>2</sup> Statistical Office of the Slovak Republic. Inflation - Consumer price indices in June 2024. Published on 15 July 2024. Available at: <https://slovak.statistics.sk:443/wps/portal?urlile=wcm:path:/obsah-sk-inf-akt/informativne-spravy/vsetky/52a4e5a3-60f0-4082-9b9c-1a9594cd5c29>

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***Risk of shortening the order of the Bonds***

Investors should be aware that the Joint Lead Managers will be entitled to reduce the amount of Bonds specified in investors' orders/instructions at their sole discretion, but always on a non-discriminatory basis, in accordance with the execution strategy of the relevant Joint Lead Manager and in accordance with the law, including MiFID II, and any overpayment, if any, will be refunded to the investor's account without undue delay. In the event of a short order, the potential investor will not be able to make an investment in the Bonds in the amount originally intended. Accordingly, the shortening of an order may adversely affect the value of an investment in the Bonds. The Issuer may also suspend or terminate the Offer at its discretion and no further orders will be accepted following such suspension or termination.

***Credit margin risk***

Prospective investors in the Bonds should be aware that the Bonds bear the risk of the Issuer's credit margin, which may increase during the term of the Bonds, resulting in a decline in the price of the Bonds. Factors affecting the credit margin include, but are not limited to, the creditworthiness and credit rating of the Issuer, the probability of default, the potential loss in the event of default and the residual maturity of the Bonds. The level of liquidity, the level of interest rates, general economic developments and the currency in which the Bonds are issued may also adversely affect the credit spread.

## 2.4 Risk Factors Relating to the Pledge Securing the Bonds

### *Risk associated with the Security Agent*

The Security Agent, which is the common representative of the Bondholders under the Bond Act, represents the Bondholders in the creation and enforcement of the pledges, and the pledge is created only in favour of the Security Agent. Accordingly, the Bondholders may not individually exercise the pledge. Although the Bondholders may individually demand early redemption of their Bonds in the event of a breach of the Issuer's obligations, the enforcement of the pledge will only be possible following a resolution of the Meeting and through the Security Agent.

The Terms and Conditions permit a change of Security Agent in certain cases without the consent of the Bondholders and the Security Agent may resign at any time (provided that it is replaced by another Qualified Institution). In certain circumstances, a change of Security Agent in connection with the assignment or renewal of Security poses a risk to the enforcement and legal effect of the Security.

In the event of the enforcement of a pledge, the Security Agent will hold the proceeds received from the enforcement of the pledge prior to their distribution to the Bondholders through the Administrator. In both of these cases, during the period the funds are held in accounts with the Security Agent or the Administrator, as the case may be, the Bondholders will be exposed to the credit risk of the Security Agent or the Administrator, as the case may be. The Security Agent will also have the right to retain a counter-charge equal to 2% of the total proceeds of the Security in the event of the enforcement of the pledge and will also have the right to deduct reimbursement of its reasonable out-of-pocket and documented expenses. These claims ultimately reduce the satisfaction of the Bondholders from the enforcement of the Security.

The Terms and Conditions of the Bonds and the Security Agent Agreement contain provisions defining the claims to be secured by the Pledge, as well as provisions on the manner and principles of enforcement of the Pledge by the Security Agent. These provisions may be further supplemented or specified in the relevant Pledge Agreements or may arise from the laws governing the creation of the relevant Pledge. These rules are intended to maximise the proceeds from the enforcement of the pledge but may also cause the enforcement of the pledge to be prolonged.

### *Risks relating to the appointment or replacement of a Security Agent*

The Issuer cannot ensure that, when a Security Agent is appointed or replaced, a Security Agent will be available that is sufficiently experienced in performing the duties of a Security Agent or similar role, although it will itself act in good faith and with due diligence in selecting such Security Agent. This problem is due to the fact that there is no market practice in the Slovak Republic in relation to this institution and the Issuer is not aware of any judicial review of this institution to date. In the Issuer's experience, this may lead to the fact that institutions that normally perform this role in the international capital market may be unwilling to accept the role of Security Agent.

Failure to select a Security Agent with sufficient experience may result in a risk that its potential inability to perform the Security in a timely manner or other delays in its activities caused by its lack of expertise or experience may adversely affect the satisfaction of the Bondholders from the Security, which may be less successful in such a situation, and ultimately the Bondholders may receive less benefit from the proceeds of the performance of the Security.

### *Risk of enforcement in different jurisdictions*

Bonds governed by Slovak law will be issued by an Issuer incorporated under Slovak law and will be secured by, among other things, a pledge of certain shares of Allwyn under Swiss law. Investors in the Bonds should be aware that the Swiss courts are competent for the purpose of enforcing any private law claims against the Issuer relating to the exercise of rights in relation to the pledge over certain Allwyn Shares.

Any recognition of a Swiss court decision and its subsequent enforcement in a third country would be governed by the law of that country, which could affect the success of the enforcement of the claim in question.



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In the event of bankruptcy, insolvency or other similar event, legal proceedings with respect to Allwyn would likely be commenced in Switzerland and would be subject to Swiss insolvency law.

In addition, the bankruptcy and insolvency laws, administrative and other laws of the Slovak Republic, Switzerland or any other relevant jurisdiction may be different or in conflict with each other. The application of such laws or any conflict between them may raise questions as to whether certain laws should apply and/or may adversely affect the ability of the Bondholders to enforce their rights under the Security.

***Risk associated with the value of Allwyn shares***

The Bonds are, among other things, secured by a pledge of certain shares of Allwyn common stock (for purposes of the risk factors, the **Shares**) within the meaning of 10.1 of the Terms and Conditions. The value of the Shares will depend on market and economic conditions, including the availability of suitable purchasers. The Shares that will be subject to the Pledge 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 Pledgor. In addition, the Terms and Conditions do not provide for any mechanisms to monitor the value of the Shares, nor do they in any way provide for any obligation for the Issuer to provide additional security in the event of a decline in the value of the Shares. The value of the Shares may decline over time and any adverse development in the financial results of the Allwyn Group may also affect the value of the Shares. As a result, Bondholders may not be fully satisfied in the event of the enforcement of the pledge.

***Risk related to the enforceability of the pledge***

The Security eliminates the risk of default of the Issuer only to the extent that the Security is enforceable and the proceeds from the realisation of the Security in the event of realisation (less the costs of realisation and redemption) are capable of covering the claims of investors. However, there is a risk that the Security will be challenged in accordance with the foreclosure rules so that the Security cannot be realised for the benefit of the Investors in accordance with the provisions of the Pledge Agreements or that the bank holding the account in which the Shares are registered as book-entry securities will be in breach of its contractual obligations. In the worst case, Bondholders may lose all or part of their invested capital. Payments to investors may be delayed for factual or legal reasons. There is no certainty as to the time frame in which such recovery or liquidation will take and it may be a considerable time before investors are paid.

***Risk related to regulatory approvals***

If the Issuer defaults under the Bonds, the Security Agent may have the right (or be obliged) to enforce the security over the Shares by selling or arranging the sale of the Allwyn Shares (or part of the Shares) to an interested third party(ies) in accordance with the Terms and Conditions of the Bonds, the Prospectus, the Pledge Agreement and applicable law.

Allwyn and its subsidiaries operate in a highly regulated industry. Members of the Allwyn Group are therefore subject to a range of complex laws and regulations. Should any third party purchaser acquire, directly or indirectly, an interest in Allwyn as a result of the exercise of the Share Security, prior approval for such transfer may be required from one or more of the relevant regulatory authorities. The exact amount of the shareholding the transfer of which triggers the need to obtain regulatory approval varies according to the relevant regulatory regime in each relevant jurisdiction. For example, Cypriot betting regulation requires prior approval for the direct or indirect acquisition of a 5% or greater stake in a gambling operator.

There is a risk that such consents will not be granted or will be granted late, which may limit the ability of the Security Agent to enforce the Security on behalf of the Bondholders. Failure to obtain or delay in obtaining such consents would materially affect the rights of the Bondholders.

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In the event that regulatory approvals are not obtained or are obtained late, the Security Agent may not be able to meet its enforcement obligations in a timely manner or at all. This could result in a situation where the Security, although in place, does not provide the intended level of protection to the Bondholders.

***Release of the security***

Pursuant to the Terms and Conditions, a portion of the Allwyn Shares comprising the Security may be released in certain circumstances. Such circumstances include the listing of the Shares on an internationally recognised stock exchange or internationally recognised market or a reorganisation of the Allwyn Group. In such circumstances, the percentage of Allwyn Shares provided as pledge to the Security Agent may be reduced and, as a result, the total value of the Security will be reduced. Such changes are subject to further terms and conditions set out in the Terms and Conditions.

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**3. RESPONSIBLE PERSONS AND DECLARATION OF RESPONSIBLE PERSONS**

The person solely responsible for the information contained in the entire Prospectus is the Issuer - KKCG Financing 2 a.s., 55 970 494, registered in the Commercial Register kept by the Municipal Court Bratislava III, Section Sa, File No.: 7635/B, LEI: 097900CAKA0000199795, on behalf of which Iva Horčicová, member of the Board of Directors and Petr Luňák, member of the Board of Directors act for the purposes of the Prospectus.

The Issuer accepts responsibility for the information contained in this Prospectus. The Issuer represents that, having taken all reasonable care, to the best of its knowledge, the information contained in this Prospectus is in accordance with the facts as a whole and that no facts have been omitted which may affect or alter its import.

Bratislava, 6 September 2024

KKCG Financing 2 a.s.

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Name: Iva Horčicová  
Function: member of the Board of  
Directors

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Name: Petr Luňák  
Function: member of the Board of  
Directors

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#### 4. DETAILS OF THE ISSUER AND THE ALLWYN GROUP

##### 4.1 Statutory auditors

For the purposes of the Prospectus, the Issuer has prepared individual financial statements as of 31 December 2023, which have been prepared in accordance with Slovak Accounting Standards (SAS) (together with the auditor's report hereinafter referred to as the **Issuer's Financial Statements**). The Issuer's Financial Statements have been audited by PricewaterhouseCoopers Slovensko, s.r.o., No.: 35 739 347, registered in the Commercial Register of the Municipal Court Bratislava III, Section: Sro, Insert No.: 16611/B, registered in the list of the Slovak Chamber of Auditors (SKAU) under licence No. 161. The auditor has issued an unmodified (unqualified) opinion on these financial statements.

Information on the resignation, removal or reappointment of auditors during the period covered by the historical financial information is not applicable and is therefore not presented.

##### 4.2 Information about the Issuer

###### (a) History and development of the Issuer

The Issuer was established on 19 December 2023 by a Deed of Incorporation under Slovak law as a joint stock company, originally under the business name Strila, a.s. The Issuer was established on 29 December 2023 on the basis of registration in the Commercial Register of the District Court Bratislava I (currently the Municipal Court Bratislava III). The Issuer's identification number (IČO) is 55 970 494. On 9 August 2024, the Issuer's business name was changed to KKCG Financing 2 a.s.

The Issuer is a newly established company with no significant business history. The principal activity of the Issuer is to raise funds through the Issue and provide them to KKCG AG by way of a loan or other form of financing.

###### (b) Basic information about the Issuer

<b>Business name:</b>	KKCG Financing 2 a.s.
<b>Place of registration:</b>	Commercial Register maintained by the Municipal Court Bratislava III, Section: Sa, Insert No.: 7635/B, ID No.: 55 970 494
<b>LEI:</b>	097900CAKA0000199795
<b>Formation of the issuer:</b>	The Issuer was established by registration in the Commercial Register on 29 December 2023.
<b>Duration:</b>	The Issuer was established for an indefinite period.
<b>Method of establishment:</b>	The Issuer was incorporated as a public limited company by a Deed of Incorporation dated 19 December 2023. The Issuer issued its Articles of Association on 19 December 2023.
<b>Legal form:</b>	Joint stock company
<b>The legal order under which the Issuer was incorporated:</b>	The Issuer was established and exists under the laws of the Slovak Republic.
<b>Headquarters:</b>	Dúbravská cesta 14, 841 04 Bratislava, Slovak Republic
<b>Phone number:</b>	+447961664498
<b>E-mail:</b>	ir@kkcg.com
<b>Website:</b>	investors.kkcg.com

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The information on the website does not form part of the Prospectus except where that information is incorporated by reference into the Prospectus. The information on this website has not been reviewed or approved by the NBS.

- Share capital:** The Issuer's share capital amounts to EUR 25,000 and is made up of a cash deposit. The share capital is fully paid up.
- Subject of activity:** The Issuer is a legal entity established for the purpose of conducting business. The Issuer's objects of business are set out in Article V of the Issuer's Deed of Incorporation (for a list of the Issuer's objects of business, see paragraph 4.3(a) of the Prospectus).
- The main legislation under which the Issuer operates:** The Issuer conducts its business in accordance with the laws of the Slovak Republic, which includes in particular the Commercial Code, the Civil Code and the Trade Licensing Act (always in the current version).

(c) **Latest and most important events relevant for the assessment of the Issuer's solvency**

The Issuer is a newly established company which has never been insolvent, has not carried on any business or incurred any material liabilities during its existence. Since the date of the Issuer's Financial Statements and up to the date of this Prospectus, there have been no material changes in the financial or trading position of the Issuer that are materially relevant to an assessment of the Issuer's solvency.

(d) **Issuer's credit and indicative ratings**

The Issuer has not been assigned a rating and will not be assigned a rating for the purposes of the Issue.

(e) **Investments**

The Issuer has not made or committed to make any material investments since the Issuer Financial Statements were prepared and none of the Issuer's authorities has approved any such investment.

(f) **Significant changes in the Issuer's borrowing and financing structure since the last financial year**

There have been no material changes in the Issuer's borrowing and financing structure since the Issuer's Financial Statements were prepared and up to the date of this Prospectus. The Issuer has not taken any borrowings or financing since its inception up to the date of this Prospectus.

(g) **Description of the expected financing of the activities of the Issuer and the Allwyn Group**

The Issuer's activities will be financed from the net proceeds of the Issue and interest income from a loan or other form of financing provided by the Issuer to KKCG AG.

The Allwyn Group's funding is based on significant debt, which is expected to continue in the future. The following table summarises the development of the Allwyn Group's indebtedness as of 31 December 2023 and an overview of the debt instruments (EUR million):

<b>Loans and borrowings</b>	<b>31.12.2023</b>
Syndicated bank loan AIAS	1,074.9
<i>Amortised term loans of EUR 290 million maturing in 2027</i>	290.0
<i>Amortised term loans of EUR 152 million maturing in 2027</i>	66.3
<i>Term loans of EUR 290 million maturing in 2028</i>	290.0
<i>Loans with an extended maturity of EUR 152 million until 2028</i>	66.3
<i>Additional loans of EUR 335 million maturing in 2029</i>	335.0

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<i>Term loan under the GBP 380 million multi-purpose facility repayable in 2027</i>	27.3
<i>EUR 300 million revolving credit facility</i>	-
AIAS EUR 400 million FRN* maturing in 2028	400.0
AIAS EUR 665 million 7,250% SSN maturing in 2030	665.0
AIAS 700 million USD 7,875% SSN 2029	633.6
AIAS 6 billion. CZK 5,200% SSN maturing in 2024	118.7
AIAS EUR 500 million 3,875% SSN maturing in 2027	500.0
<b>AIAS total</b>	<b>3,392.2</b>
<hr/>	
OPAP EUR 200 million 2.1% retail bond maturing in 2027	200.0
EUR 250 million fixed-rate OPAP bank loan maturing in 2026	250.0
Fixed rate bank loan OPAP of EUR 200 million maturing in 2027	170.0
Hellenic Lotteries floating rate loan of EUR 50 million maturing in 2024	40.0
<b>Greece and Cyprus total</b>	<b>660.0</b>
<hr/>	
Syndicated CASAG bank loan maturing in 2026	53.6
<b>Austria total</b>	<b>53.6</b>
<hr/>	
<b>Total principal amount</b>	<b>4,105.8</b>
<hr/>	
Other loans and borrowings	1.4
Difference from carrying amount	26.6
<b>Total carrying amount</b>	<b>4,133.8</b>
<hr/>	

### 4.3 Business overview

#### (a) Main activities

The principal activity of the Issuer is to raise funds through the Issue and provide them to KKCG AG by way of a loan or other form of financing for the purpose of financing ordinary business activities as well as acquisitions, financial investments and operations, dividends or refinancing of existing loans. The proceeds of the Issue will not be used to finance activities and acquisitions in the fields of lotteries, gambling or oil and gas production and processing.

According to the registration in the Commercial Register, the Issuer's business consists of: purchase of goods for resale to the final consumer (retail) or other traders (wholesale); brokerage activity in the field of trade, services and production; organization of sports, cultural and other social events; out-of-school educational activities; advertising, marketing, photographic and information services, market research and public opinion; services in the field of administrative management and services of organizational and economic nature; the implementation of the construction and their changes; road freight transport performed by vehicles with a total weight of up to 3.5 t, including the trailer; computer services and services related to computer processing of data; rental, storage and lending of movable assets; business, organisational and economic consultancy; rental property associated with providing other than basic services related to renting; provision of credit or loans from cash resources obtained exclusively without a public call and without a public offer of property values; intermediation in the provision of credit or loans from cash resources obtained exclusively without a public call and without a public offer of property values.

#### (b) Main markets

In respect of its core business, the Issuer does not compete in any market as such and does not have any relevant market share or position.



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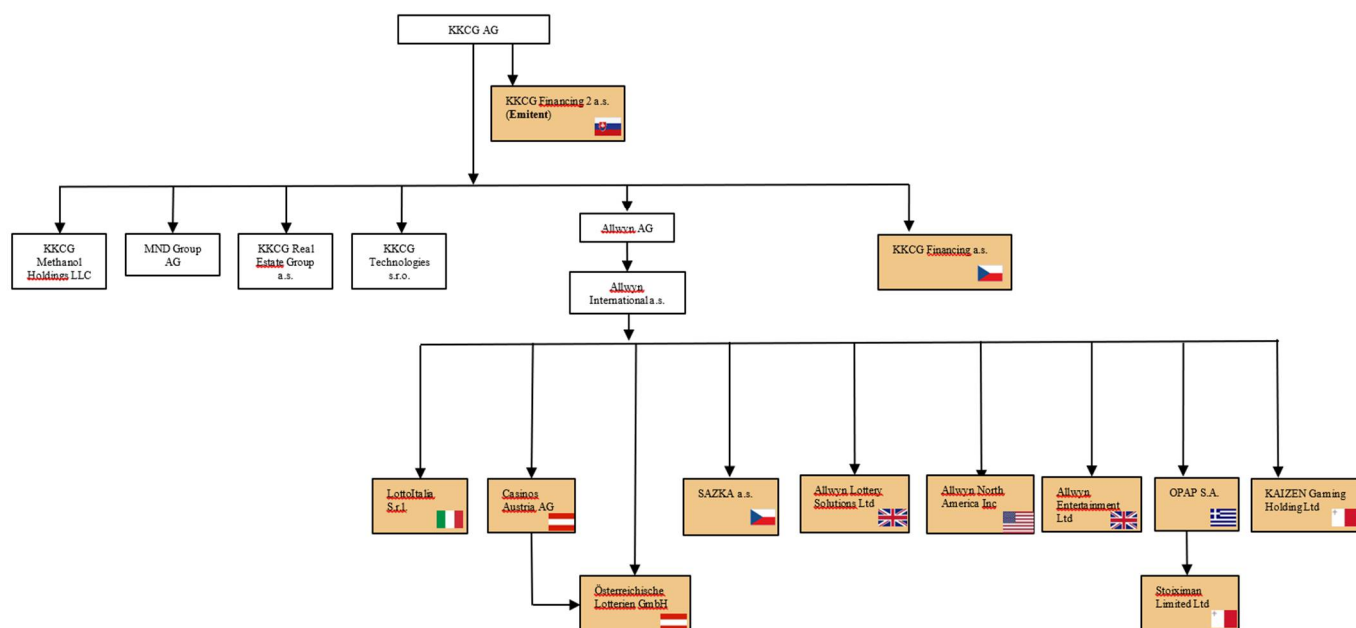
**4.4 Organisational structure**

**(a) Position of the Issuer in the Group**

The Issuer has a single shareholder, KKCG AG, which owns 100% of the Issuer's share capital, with which 100% of the voting rights are attached. As at the date of this Prospectus, the controlling person of KKCG AG is the VALEA FOUNDATION, the beneficiary of which is Mr. Karel Komárek.

**(b) Group organisational structure**

The following diagram illustrates the simplified structure of the Allwyn Group and the Issuer's position within it as at the date of this Prospectus:



**(c) Dependence of the Issuer on group entities**

As the Issuer does not have and is not expected to have its own employees, the Issuer's operations are and will be dependent on sharing administrative, accounting and IT infrastructure with KKCG Group companies. Given the Issuer's purpose for existing, the Issuer's source of income is dependent on KKCG AG's ability to meet its monetary obligations to it in a proper and timely manner.

As at the date of this Prospectus, the Issuer has not made any loans, borrowings or issued any investment instruments (other than the decision to issue the Bonds) that would create a credit exposure of the Issuer to a third party.

**4.5 Information on trends**

**(a) No adverse changes in prospects**

The Issuer represents that there has been no material adverse change in the prospects of the Issuer since the date of the Issuer's Financial Statements to the date of this Prospectus.

**(b) Information about trends, uncertainties, claims, liabilities or events that will have a material effect on the prospects of the Issuer**

As the Allwyn Group operates in the lottery and gaming market, there are a number of factors and trends that may affect the Allwyn Group.

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The Allwyn Group operates in the lottery and gaming sector, which is a growing segment of the wider entertainment market. Its activities have the capacity to reach over 130 million people in the over 18 age group (according to the *World Population Prospects 2022* document produced by the Population Division of the Department of Economic and Social Affairs of the United Nations Secretariat and the *United States Census Bureau* for the State of Illinois based on 2021 data), primarily within Austria, the Czech Republic, Greece, Cyprus, Italy (where the Allwyn Group has a significant equity method investment), the United Kingdom and the State of Illinois in the United States.

A gaming market consists of activities in which players pay money to compete for a chance to win a cash prize. The gambling market consists of games of chance and *games of skill*. The gaming market is divided into two main types of distribution channels, physical retail and online, and is characterised as either *onshore*, which is regulated and licensed locally, or *offshore*, which is licensed elsewhere, including in places such as Gibraltar and the Isle of Man. The gaming market is broadly 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 racing betting and betting on other products such as virtual sports and E-sports; **and**
- **Other games:** products other than sports betting and lotteries - i.e. casinos, non-casino gaming machines including VLTs, bingo and iGaming products (e.g. online casino, online slots, online poker, online bingo, etc.).

The following table sets out the Allwyn Group's gaming revenue (the **GGR**) by product (including the Camelot acquisition) in EUR million:

<b>Product</b>	<b>2023</b>	<b>2022</b>
Number lottery	3,996.0	1,547.0
Instant Lottery	1,347.5	282.7
Sports betting	673.5	635.6
iGaming	620.1	511.1
VLTs and casinos	912.3	834.9
<b>Gambling revenue (GGR)</b>	<b>7,549.4</b>	<b>3,811.3</b>

The gaming industry is deeply rooted in global society and is an integral part of many countries' economies. Few other industries contribute more in the form of taxes, jobs, funding for good causes, sponsorship, urban development and leisure spending, while providing both social and individual entertainment.

**Online games**

The internet and mobile technologies have accelerated the adoption of online games over the past two decades, and the COVID-19 pandemic has further encouraged consumers to adopt them as a form of entertainment, with consumers using gaming apps alongside other forms of entertainment on mobile devices.

The online channel has been a key area of growth. Although the proliferation through the online channel has been steadily increasing year on year, there has been a significant jump in 2020, with H2 Gambling Capital data estimating that over 20.0% of global GGR is generated through online channels, up from 14.0% in 2019, and with global online gambling penetration estimated by H2 Gambling Capital to reach 24.6% in 2023, there appears to be a sustained shift in consumer behaviour, with a strong preference for engaging in gaming activities through online media persisting even

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without the impact of the pandemic. Similarly, the Allwyn Group has seen an increase from 4.0% of gross gaming revenue (GGR) in the 2019 financial year to 36.0% in the 2023 financial year.<sup>3</sup>

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

The Allwyn Group continually evaluates and seeks to improve its online offering, which accounts for an increasing proportion of gaming revenue (GGR), improving customer acquisition, retention and lifetime value.

In Greece and Cyprus, for example, a new iLottery offering - [www.opaponline.gr](http://www.opaponline.gr) - was launched in the second quarter of 2023, where all lottery games are now offered online. This added extremely popular games such as KINO to Tzoker's existing online offering and was the result of the team's effective collaboration with the regulatory authority, enabling a new era for these long-standing favourites. The enrichment of the Allwyn Group's iLottery offering has significantly improved the player experience and led to enhanced customer acquisition and engagement, while also benefiting the broader enhancement of the customer offering across products and channels in Greece and Cyprus.

The following table shows the Allwyn Group's online GGR by product in EUR million:

Online gaming revenue (GGR) by product	2023	2022	Change	
			abs	%
Number lottery	1,510.2	151.5	1,358.7	897%
Instant Lottery	314.0	6.1	307.9	5,048%
Sports betting	271.2	251.9	19.3	8%
iGaming	620.1	511.1	109.0	21%
VLTs and casinos	-	-	-	n/a
<b>Total online gaming revenue (GGR)</b>	<b>2,715.5</b>	<b>920.6</b>	<b>1,794.9</b>	<b>195%</b>
Share of online gaming revenue (GGR)	36%	24%	12 p.p.	
Share of internet gambling revenue (GGR) <sup>4</sup>	41%	31%	10 p.p.	

**Product innovation**

As the industry continues to adapt and evolve, it has opened up the potential to introduce a more diverse consumer base and player demographic. Generation Y (millennials) includes those born between approximately 1981 and 1996, and Generation Z includes those born between approximately 1997 and 2012, although the sources vary with respect to the exact range of years for each generation, and although in either case a significant proportion of Generation Z is underage. These younger generations prefer more transactional, social and 'on-the-go' experiences delivered through mobile gaming channels, as opposed to physical retail gaming venues such as casinos or betting shops.

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

<sup>3</sup> Based on the consolidated GGR for 2023.

<sup>4</sup> The online eligible gaming revenue share (GGR) refers to the total online GGR as a proportion of the GGR from numerical lotteries, instant lotteries, sports betting and iGaming (i.e. excluding VLTs and casinos, which include GGR generated in physical retail only).

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*Lottery:*

- the introduction of 'second chance' lotteries; and
- introduction of annuity lotteries.

*Sports betting:*

- sports betting during the game;
- the sports betting product "Cash-out"; and
- live streaming of sports content on the operator's website / mobile device.

*Other games like:*

- Skill-based game content;
- the widespread introduction of live online casinos;
- A hybrid product of a "random number generator" (RNG) and a live online casino;
- Social casino/free-to-play product.

The Allwyn Group is constantly evaluating opportunities to optimise or expand its product offering in order to offer a complete range of best-in-class lottery, gaming and entertainment products.

The Allwyn Group is constantly focusing on product innovation, developing new lottery games and complementary products that encourage engagement. For example, it seeks to launch innovative, complementary new lottery games to deepen the appeal of its products to a wide range of players, such as daily number games, annuity games or international jackpot games, where these are not already on offer.

In Austria, the Allwyn Group launched EuroDreams in November 2023, the first international annuity game in Europe to offer a jackpot of EUR 20,000 per month for 30 years. In the Czech Republic, the company launched a new low-priced, low-stakes daily annuity game, Mini Annuity, with a deposit of CZK 10 (~EUR 0.40), which pays a fixed prize every day for one year. The Allwyn Group has also launched an additional weekly draw in the Extra annuity game and the option to deposit a higher amount per game. Finally, in Greece and Cyprus, it repositioned the existing draw-based Lotto game as an annuity game.

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

***Privatisation***

Although many lotteries continue to be owned and operated by governments, within some markets lotteries are now operated by commercial operators from the private sector under licence, such as in the markets in which the Allwyn Group operates. The World Lottery Association has over 150 state-licensed members.

Commercial operators have to follow complex procurement processes to bid for lottery contracts or obtain licences, which may require operators to demonstrate their ability to increase sales through

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innovation of new products, investing in and deploying new lottery technologies, and providing assistance to communities through charitable initiatives. The terms and conditions and requirements of lottery tenders may therefore favour incumbents with a proven track record of success.

Governments often use lottery proceeds to fund a wide range of popular and socially beneficial causes.

Lotteries have a winner-take-all dynamic in which players tend to buy tickets in the games that offer the highest jackpot, with the jackpot amount mainly driven by the volume of tickets sold. It is difficult for new entrants to compete with the dominant national companies, even in markets where there are no exclusive licences, because it is difficult for these new entrants to establish the revenue base or the upfront financial capital needed to offer large jackpots.

#### **4.6 Forecasts or estimates of profit**

The Issuer has not published any profit forecast or estimate in a format that complies with the requirements of the Prospectus Regulation and has therefore chosen not to include such a forecast or estimate in the Prospectus.

#### **4.7 Administrative, management and supervisory bodies of the Issuer**

##### **(a) General information**

The Issuer is a joint stock company established and existing under the laws of the Slovak Republic. The Issuer's supreme body is the General Assembly. The Issuer's governing body is the Board of Directors. The supervisory body of the Issuer is the Supervisory Board. As at the date of this Prospectus, the Issuer does not have an audit committee.

##### **(b) Board of Directors**

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

The working contact address of the members of the Board of Directors is Eminent's registered office.

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

##### **Iva Horčicová**

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**Function with date of creation:**

Member of the Board of Directors since 9 August 2024

**Education and experience and other relevant information:**

Iva Horčicová is Head of Capital Markets at Allwyn Group and joined in 2021. Prior to joining Allwyn Group, Iva was an Investment Analyst at Napier Park Global Capital and before that an Investment Banker at ING, where she advised corporates and financial sponsors on structuring and executing financing transactions.

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

### **Petr Luňák**

<b>Function with date of creation:</b>	Member of the Board of Directors since 9 August 2024
<b>Education and experience and other relevant information:</b>	<p>Mr. Luňák is the Head of Structured Finance at KKCG Group. In his role, he has been involved in major transactions of KKCG Group in the areas of lottery and gaming, oil and gas, engineering, IT, tourism and real estate. Prior to joining KKCG Group in 2005, he worked at ING Bank, ABN AMRO and ATLANTIK FT.</p> <p>Mr. Luňák is a graduate of the University of Economics in Prague, where he studied finance, and the Faculty of Law of Charles University in Prague.</p>

Each member of the Board of Directors is professionally qualified to perform his/her duties. The Issuer represents that no member of the Board of Directors has been convicted of a fraud offence in the last five years, no member of the Board of Directors has been involved in bankruptcy proceedings or liquidation, no member of the Board of Directors has been subject to any charges or sanctions by public authorities (including relevant professional bodies) in the last five years and no member of the Board of Directors has been disqualified by a court in the last five years from holding any office in the Issuer. Two members of the Board of Directors are authorised to act jointly on behalf of the Issuer.

### (c) **Supervisory Board**

The Issuer's Supervisory Board is the Issuer's controlling body. The Supervisory Board supervises the exercise of the powers of the Management Board and the conduct of the Issuer's business. The Supervisory Board has three members. The term of office of the members of the Supervisory Board is 5 years.

The business contact address of the members of the Supervisory Board is the registered office of the Issuer. An overview of the relevant details of the members of the Supervisory Board is set out below.

### **Tomáš Borčín**

<b>Function with date of creation:</b>	Member of the Supervisory Board since 9 August 2024
<b>Education and experience and other relevant information:</b>	Tomáš Borčín graduated from the Faculty of Law of Charles University in Prague. He is an attorney-at-law with a focus on international acquisitions and has advised KKCG Group and Allwyn Group on several large transactions since 2013.

### **Ondřej Topinka**

<b>Function with date of creation:</b>	Member of the Supervisory Board since 9 August 2024
<b>Education and experience and other relevant information:</b>	Ondřej Topinka is a tax manager in the Allwyn Group. Ondřej graduated from the University of Economics in Prague and has been a qualified tax advisor since 2001. He has extensive experience both in consulting (he worked at EY and PwC) and in multinational groups such as Siemens, Allwyn and KKCG, where he dealt with tax and accounting aspects of complex transactions, especially acquisitions and their financing, divestitures and corporate restructurings.

### **Martin Blecha**

<b>Function with date of</b>	Member of the Supervisory Board since 9 August 2024
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**creation:**

**Education and experience and other relevant information:** Martin Blecha is an investment manager at KKCG Group. Prior to joining the Group, he worked for 15 years at Deloitte and PwC, where he primarily focused on corporate restructuring in the CEE region. Martin holds a Master's degree in Finance from Bayes Business School in London.

Each member of the Supervisory Board is professionally qualified to perform his/her duties. The Issuer declares that no member of the Supervisory Board has been convicted of a fraud offence in the last five years, no member of the Supervisory Board has been involved in bankruptcy proceedings or liquidation, no member of the Supervisory Board has been subject to any charges or sanctions by public authorities (including relevant professional bodies) in the last five years and no member of the Supervisory Board has been disqualified by a court in the last five years from holding any office in the Issuer.

(d) **Audit Committee**

The Audit Committee has not been established as at the date of this Prospectus. The Issuer intends to establish it prior to the Issue Date as an independent body of the Issuer, the members of which will be appointed by the General Meeting for the purpose of overseeing the proper management of the Issuer, the independence and objectivity of the external auditor, the performance of the statutory audit by the auditor, the effectiveness of the risk management systems and the internal governance and control mechanisms. The Issuer intends to appoint the following persons as members of the Audit Committee:

**Roland Ruprecht**

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**Function with date of creation:** Member of the Audit Committee

**Education and experience and other relevant information:** From 2001 to 2021, Mr. Ruprecht was an audit partner of EY in Switzerland. Mr. Ruprecht holds a bachelor's degree from the University of Applied Sciences in Bern, Switzerland and is a Swiss Chartered Accountant. Mr. Ruprecht is currently the interim CFO of International Baccalaureate in Geneva and Singapore.

**Jan Hrazdira**

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**Function with date of creation:** Member of the Audit Committee

**Education and experience and other relevant information:** Mr. Hrazdira is one of the founding partners of HKDW HOLASEK, s.r.o., a Czech law firm specializing 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 Arbitration Court in Prague at the Economic Chamber of the Czech Republic and the Agrarian Chamber of the Czech Republic and is registered in the list of practising arbitrators of the Vienna International Arbitration Centre (VIAC). He is a member of the Board of Advisors to the President of the Czech Office for the Protection of Competition.

**Martin Kořistka**

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**Function with date of creation:** Member of the Audit Committee

**Education and experience and other relevant information:** Mr. Kořistka has been the Controlling Manager at KKCG Group since 2018, having previously worked as a manager and supervisor at

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**relevant information:** 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.

(e) **Conflicts of interest at the level of management and supervisory bodies**

The Issuer is not aware of any potential conflict of interest between the duties of the members of the Issuer's management board and supervisory board relating to the Issuer and their private interests or other duties, but the exercise of their functions as members of the management board or supervisory board of the companies referred to in this article above may involve a conflict of interest to the extent that they are also members of the bodies of other companies (including other companies of the KKCG Group and the Allwyn Group) while pursuing the interests of those companies or the interests of persons controlled by those companies.

(f) **Procedures of the authorities and compliance with the principles of corporate governance**

The Issuer complies with all relevant corporate governance requirements set out in the applicable legislation of the Slovak Republic, in particular the Commercial Code. In its corporate governance, the Issuer is governed by the corporate governance requirements of applicable laws and regulations, which it considers sufficient and is therefore not governed by any rules set out in any corporate governance code. The Issuer's corporate governance practices are in accordance with the compliance regime as well as the insider trading rules adopted in connection with the Issue. To address and mitigate potential conflicts of interest, the Issuer has adopted policies governing gifts, donations and hospitality. Further, the Issuer has established a policy regarding suppliers and vendors. This policy directs that members of the Issuer's Management Board and Supervisory Board, among other things, avoid conflicts of interest by refraining from owning any equity interests in, making loans to, entering into contractual or agency relationships with, or having a personal interest in the success or failure of, any supplier or vendor. An anti-corruption and anti-bribery policy is also in place to ensure compliance with ethical standards of conduct and the law.

**4.8 Administrative, management and supervisory bodies of the Allwyn Group**

**AIAS governance structure and committees**

AIAS has a dual system of bodies consisting of a Board of Directors and a Supervisory Board. The General Meeting of Shareholders is the supreme body of AIAS, it decides on all AIAS matters that are within its competence according to the applicable legislation and the AIAS Articles of Association. The powers of the General Meeting are exercised by Allwyn, which is the sole shareholder of AIAS.

The Management Board represents AIAS in all matters and is entrusted with its management, while the Supervisory Board is an independent body responsible for overseeing the activities of AIAS and the Management Board in the management of AIAS. According to the Czech Commercial Corporations Act, the Supervisory Board cannot make decisions regarding business management.

(a) **Board of Directors**

The Board of Directors is the governing and statutory body of AIAS and currently has four members. AIAS is represented at all times by two members of the Board of Directors.

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

As at the date of this Prospectus, the following are members of the Board of Directors of AIAS:

**Karel Komarek**

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<b>Function with date of creation:</b>	Chairman of the Board of Directors since 17 August 2016
<b>Education and experience and other relevant information:</b>	Mr. Komárek is the Chairman of the Board of AIAS. He has been with the Allwyn Group since 2011, when KKCG Group became the major shareholder of SAZKA. He is also the Chairman of the Board of Directors of various companies that are part of the KKCG Group (KKCG AG, KKCG a.s. and MND a.s., among others). He is the founder of the Karel Komarek Family Foundation, which focuses on the development of community and environmental projects, as well as the promotion of culture and arts education. In 2021, he became a member of the Kennedy Center's President's Council after four years as co-chair of the Kennedy Center's International Arts Committee.

**Robert Chvátal**

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<b>Function with date of creation:</b>	Member of the Board of Directors since 11 July 2019
<b>Education and experience and other relevant information:</b>	Mr. Chvátal is a member of the AIAS Board of Directors 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 various companies belonging to the Allwyn Group, including OPAP, and serves on the supervisory boards of CASAG and Austrian Lotteries. Mr. Chvátal was previously CEO of SAZKA, which he joined in 2013, overseeing its transformation from a state-owned lottery company to an innovative casual gaming company. Prior to that, he worked at Procter & Gamble and Reckitt Benckiser before moving to T-Mobile as Chief Marketing Officer (Czech Republic). He was later appointed CEO of T-Mobile Slovakia and T-Mobile Austria. He is also a member of the European Lotteries Association. Mr. Chvátal has also held the positions of Marketing Director of RadioMobil/T-Mobile Czech Republic, Marketing Director for the Czech Republic and Slovakia at Lancaster/ Coty (Benckiser Group) and Brand Manager at Procter & Gamble in Germany and the Czech Republic. Mr. Chvátal holds a Diplôme d'Ingénieur in Business Administration and International Relations from the University of Economics in Prague. He also completed MBA management courses at Harvard Business School and Stanford Graduate School of Business.

**Katarína Kohlmayer**

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<b>Function with date of creation:</b>	Member of the Board of Directors since 12 December 2019
<b>Education and experience and other relevant information:</b>	Ms. Kohlmayer is a member of the Board of Directors of AIAS and has served as CFO of KKCG AG since 2014. She oversees AIAS' capital markets and other financial activities, mergers and acquisitions, and accounting, control and audit operations within the KKCG Group. She is also a member of the Management Board of KKCG AG and of the individual companies belonging to the Allwyn Group, including OPAP and CASAG, as well as a member of the Supervisory Boards of CASAG and Austrian Lotteries. Prior to joining KKCG Group, Ms. Kohlmayer was a Managing Director at

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investment banks Morgan Stanley and VTB Capital. During her professional career, she specialized in M&A transactions and their financing. She holds a Master's degree in Economics from the University of Economics in Bratislava and an MBA from Harvard University.

**Pavel Šaroch**

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<b>Function with date of creation:</b>	Member of the Board of Directors since 5 February 2016
<b>Education and experience and other relevant information:</b>	Mr. Šaroch is a member of the Board of Directors of AIAS and since 2010 he has held the position of CIO of KKCG AG, which he joined in 2008. He is also a member of the Management Board of KKCG AG and of the individual companies belonging to the Allwyn Group, including OPAP and SAZKA, as well as a member of the Supervisory Boards of CASAG and Austrian Lotteries. He has held management positions at Ballmaier & Schultz CZ and Prague Securities, both securities trading companies. From 1999 to 2001 he was a member of the Management Board 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 Management Board of that company. Mr. Šaroch is a graduate of the University of Economics in Prague.

(b) **Supervisory Board**

The Supervisory Board oversees the exercise of the powers of the Board of Management and the activities of AIAS. The AIAS Supervisory Board shall have one member.

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

As at the date of this Prospectus, he is a member of the Supervisory Board of AIAS:

**Tomáš Porupka**

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<b>Function with date of creation:</b>	Member of the Supervisory Board since 12 September 2016
<b>Education and experience and other relevant information:</b>	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 eleven years in international law firms in Prague and Madrid. Prior to joining KKCG, he worked for five years as a senior associate in the Prague office of Clifford Chance LLP. His previous practice focused on international transactions and acquisitions, corporate and real estate law.

(c) **Audit Committee**

The Audit Committee is an independent body of AIAS elected by and subordinate to the General Meeting of Shareholders and plays an important role in overseeing the sound management of AIAS, the independence and objectivity of the external auditor, the performance of the statutory audit by the

PROSPECTUS

auditor, the effectiveness of the risk management systems and the internal governance and control mechanisms. The Audit Committee shall have three members.

As at the date of this Prospectus, the following are members of the AIAS Audit Committee:

**Roland Ruprecht**

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**Function with date of creation:** Chairman of the Audit Committee from 28 May 2021

**Education and experience and other relevant information:** 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 degree from the University of Applied Sciences in Bern, Switzerland and is a Swiss Chartered Accountant. Mr. Ruprecht is currently the interim CFO of International Baccalaureate in Geneva and Singapore.

**Jan Hrazdira**

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**Function with date of creation:** Member of the Audit Committee since 15 May 2020

**Education and experience and other relevant information:** Mr. Hrazdira is one of the founding partners of HKDW HOLASEK, s.r.o., a Czech law firm specializing 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 Arbitration Court in Prague at the Economic Chamber of the Czech Republic and the Agrarian Chamber of the Czech Republic and is registered in the list of practising arbitrators of the Vienna International Arbitration Centre (VIAC). He is a member of the Board of Advisors to the President of the Czech Office for the Protection of Competition.

**Martin Kořistka**

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**Function with date of creation:** Member of the Audit Committee from 1 April 2023

**Education and experience and other relevant information:** Mr. Kořistka has been the Controlling Manager at KKCG AG since 2018, previously he worked as a manager and supervisor at 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.

**4.9 Main shareholder**

**(a) Control over the Issuer**

The Issuer has a single shareholder, KKCG AG. KKCG AG exercises direct control over the Issuer and controls it by virtue of its ownership of 100% of the shares and voting rights in the Issuer's share capital. As KKCG AG directly controls the Issuer and is its sole shareholder entitled to vote at general meetings, approve profits or decide on the liquidation value, there is no other party against whom this control could be abused. Therefore, no measures against abuse of control are necessary.

For more information about KKCG AG, see article 5 of the Prospectus.

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As at the date of this Prospectus, the controlling person of KKCG AG is the VALEA FOUNDATION, whose beneficiary is Mr. Karel Komárek.

**(b) Agreements that may lead to a change of control of the Issuer**

As at the date of this Prospectus, the Issuer is not aware of the existence of any mechanisms or arrangements that could lead to a change of control of the Issuer.

**4.10 Financial information concerning the assets and liabilities, financial position and profit and loss of the Issuer**

The Issuer was incorporated on 19 December 2023 and was formed by registration in the commercial register on 29 December 2023. Therefore, apart from the financial statements prepared as of 31 December 2023, there is no historical financial information for prior periods that has been audited. This Prospectus incorporates by reference the following 14 Prospectus, the Issuer's Financial Statements for the period from inception to 31 December 2023 are included.

The Issuer is not required to prepare consolidated financial statements and is not required to prepare financial statements in accordance with IFRS. The Issuer is not required to prepare interim financial statements and has not published any interim financial statements or other interim financial information prior to the date of this Prospectus.

Save for the Issuer's Financial Statements incorporated by reference in this Prospectus, no other information relating to the Issuer set out in this Prospectus has been audited.

**4.11 Judicial, administrative and arbitration proceedings**

The Issuer has never been a party to any litigation, administrative proceeding or arbitration proceeding that could have or has had a material effect on the Issuer's financial condition or profitability and is not aware that any such proceeding is imminent.

As at the date of this Prospectus and in the future, the Allwyn Group companies may be subject to or directly affected by various legal proceedings (including proceedings relating to prize claims and employment matters), formal complaints and investigations, including by antitrust and competition authorities, including (without limitation) the matters described in more detail below.

**(a) Austria**

***Lawsuits initiated (mostly by former employees) against CASAG***

CASAG is a party to 28 pending lawsuits initiated by 37 plaintiffs related to reductions in target retirement benefits in its employee pension plans, which include guaranteed minimum pension plans and defined benefit plans. For the actions relating to the guaranteed minimum pension plans, management estimates that an adverse outcome is highly unlikely and has therefore only booked a provision for legal costs of EUR 0.3 million. This assessment is supported by the fact that in January 2022, the Court of Appeal overturned the original unfavourable decision of the Court of First Instance of May 2021, stating that only the minimum pension is guaranteed. In another case, the Court of Appeal dismissed the claimant's appeal against the trial court's decision and did not allow a proper appeal to the Supreme Court. The Court of Appeal held that the reduction in the target pension was in accordance with equitable discretion and that CASAG was not obliged to make additional contributions to the target pension. The decision in this particular case is final. In the case of actions in respect of defined benefit plans, management considers the outcome to be uncertain and reflects this uncertainty in the measurement of the defined benefit obligation, with a negative outcome assumed in the measurement of the obligation (with the result that a positive outcome in these cases would result in a net gain to the Allwyn Group).



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***Arbitration Proceedings - Argentina***

In 2013, Casinos Austria International GmbH (hereinafter referred to as **CAI**) and CASAG filed a request for arbitration under the International Centre for Settlement of Disputes (hereinafter referred to as **ICSID**) against the Republic of Argentina. CAI's Argentine subsidiary Entretenimientos y Juegos de Azar Sociedad Anonima (hereinafter **ENJASA**) operated gambling under an exclusive 30-year licence granted by the regional government in Argentina. In 2013, the competent authority, the Ente Regulador del Juego de Azar, notified ENJASA of the revocation of the licence. ENJASA was forced, through government decrees and resolutions, to transfer its gaming operations to other local gaming operators. The licence was revoked on the basis of a number of isolated incidents that took place a long time ago and were individual human errors by some of ENJASA's employees in purely administrative matters. CAI and CASAG alleged that the revocation of the license was based on fabricated violations of the regulatory framework and anti-money laundering provisions, in complete disregard of the actual facts and ENJASA's due process rights, and that the revocation of the license was an illegal expropriation and a violation of the bilateral investment treaty between Austria and Argentina.

On 5 November 2021, CAI and ENJASA won an arbitration against the Republic of Argentina and were entitled to receive a total payment of approximately USD 35.7 million.

However, the Argentine Republic filed a request for annulment of the arbitral award and requested a stay of execution. The oral hearing took place on 3 August 2022. The judges carried out all formalities and heard Argentina's request for a stay of enforcement pending a final decision. Most recently, on 13 January 2023, the relevant ICSID ad hoc Committee decided that the request submitted by Argentina for a stay of enforcement of the arbitral award is denied in its entirety and the stay of enforcement is lifted. The arbitral award is therefore enforceable. However, Argentina may be expected to voluntarily default on the arbitral award and pay its obligation. Measures for enforcement are therefore necessary.

According to the completed procedural order, an oral hearing was held in September 2023 in Washington, D.C., in connection with the invalidity proceeding, at which both sides presented their legal arguments. Currently, a final decision is still pending and is expected by the end of 2024.

(b) **Greece**

***Claims of distribution agents***

As of 30 June 2024, third-party claims related to terminated distribution agent agreements totalling EUR 309.5 million (31 December 2022: EUR 308.3 million) were made against OPAP. The majority of these claims relate to former distribution agent agreements, in respect of which the vast majority of recent court decisions have been in OPAP's favour (rejected claims amounting to EUR 300.8 million). The Court of First Instance partially accepted claims amounting to EUR 0.77 million; the Court of Appeal partially accepted claims amounting to EUR 0.16 million. In connection with three further actions brought by the former representative against OPAP seeking compensation for lost profits, the Supreme Court granted OPAP's claim in September 2023 and overturned the Court of Appeal's decision awarding a total amount of approximately EUR 3.0 million. The decision on the merits is still pending. As of 1 September 2024, management has recorded a provision of EUR 6.88 million (31 December 2023: EUR 6.6 million) in relation to this case.

***Hellenic Lotteries***

According to the concession agreement, Hellenic Lotteries S.A., a subsidiary of OPAP, is obliged to pay 30% of its annual gaming revenue (GGR) to Greece, with a minimum annual amount of EUR 50.0 million. Hellenic Lotteries S.A. considers that the minimum annual fee of EUR 50.0 million did not apply for the years 2020, 2021 and 2022, as a force majeure clause in the concession contract was invoked due to the pandemic-related restrictions imposed by the Greek State. Hellenic Lotteries S.A.

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has therefore requested a reduction of this obligation, or compensation related to the original licence fee, or an extension of the licence. As a precautionary measure, gaming taxes and related liabilities totalling EUR 70.6 million were recorded in the financial statements in the respective periods. The hearing in this arbitration matter took place in February 2023. The arbitral tribunal issued its final award on 12 September 2023, rejecting the defendants' jurisdictional objections but rejecting the damages sought by Hellenic Lotteries S.A. on the 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 to May 2022 (totalling EUR 70.6 million). In addition, on 13 February 2024, Hellenic Lotteries S.A. was informed of an additional liability to the Greek State of EUR 11.9 million relating to interest on late payment. On 24 November 2023, Hellenic Lotteries S.A. filed an application for annulment of the final decision. The outcome is expected in 1 to 1.5 years.

***Non-competition clause in agency agreements***

In September 2023 the Hellenic Competition Commission (HCC) imposed a fine of EUR 24.6 million on OPAP for an alleged infringement of the competition rules in relation to the provision of bill payment and mobile top-up services offered on the Greek market between 2017 and 2021. The fine does not relate to OPAP's core business in the gambling market. OPAP categorically denies the practices attributed to it and has therefore brought an action against the decision before the Athens Administrative Court. As of 30 September 2023, the fine was recognised in other operating expenses (EUR 24.6 million) and finance costs (EUR 0.6 million) in the Greece and Cyprus segment.

**4.12 Significant change in the Issuer's financial or business situation**

There has been no material change in the financial or trading position of the Issuer or the Allwyn Group since the date of the most recent audited financial information to the date of this Prospectus that would have a material adverse effect on the financial or trading position, future operating results, cash flows or overall prospects of the Issuer or the Allwyn Group.

***Syndicated bank loans***

In March 2024, AIAS increased the amount of its syndicated bank loan facility by an additional EUR 500.0 million due in 2030. Concurrent with the signing of the additional facilities, AIAS cancelled GBP 188.8 million of undrawn commitments under the GBP 380.0 million multi-purpose facility (equivalent to EUR 444.4 million at 31 March 2024) which was available under the Senior Facilities Agreement. In March 2024, AIAS and its subsidiary Allwyn Entertainment Financing (UK) plc also drew down a EUR 240.0 million facility under the Senior Facilities Agreement, which is described in article 4.13 of the Prospectus below.

***Agreement on the acquisition of a majority stake in IWG***

In February 2024, AIAS announced an agreement to acquire a 70% stake in IWG to expand the Allwyn Group's content offering. IWG is a leading supplier of online instant games to lotteries and works with over 25 national and state lotteries worldwide, with a strong presence in North America.

IWG has reported EBITDA of GBP 18.2 million for the financial year ending 30 April 2023.

Subject to customary closing conditions, the transaction may close in the second half of 2024.

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***Allwyn LS Group***

In March 2024, AIAS made a payment of EUR 10.5 million. This represents the outstanding contingent consideration related to the purchase of the Allwyn LS Group in March 2023.

***Greece and Cyprus: OPAP share buyback programme***

In October 2023, OPAP started to buy back shares under a share buyback programme of up to EUR 150.0 million. From 1 January 2024 to 30 June 2024, OPAP bought back shares amounting to 1.34% of its total outstanding shares for a total amount of EUR 77.7 million. As a result, Allwyn's shareholding in OPAP increased from 50.71% at 31 December 2023 to 51.40% at 30 June 2024.

***Acceptance of a term loan B***

In May 2024, AIAS announced the successful syndication of a 7-year US dollar denominated Term Loan B with a principal amount of USD 450.0 million. USD 450 million at SOFR plus 225 basis points. The facility was fully drawn down in June 2024 and the proceeds were used to repay in full the outstanding aggregate principal amount of EUR 400.0 million of floating rate notes due 2028 issued by Allwyn Entertainment Financing (UK) plc on 14 June 2024, with the balance used or to be used for general corporate purposes. The proceeds raised amounted to EUR 375.0 million. USD 375.0 million was converted to EUR currency to reduce the currency exposure.

**4.13 Major contracts**

As at the date of this Prospectus, the Issuer is not aware of any material contracts entered into outside the ordinary course of its business which could give rise to liabilities or claims that would be material to its ability to meet its obligations to the Bondholders.

AIAS, as well as entities within the Allwyn Group, enter into a number of contractual relationships as part of their activities. These are mainly relationships within the scope of their business activities. In addition, these relationships are related to the assurance of their operations, security, risk mitigation, the use of external experts or consultants, etc. The contractual relationships and other commitments that may be considered material from the perspective of the Issuer and the Allwyn Group are set out below.

- On 6 March 2020 AIAS and Österreichische Beteiligungs AG (ÖBAG) concluded a shareholder agreement of the CASAG regarding its relevant direct or indirect shares in the company. 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 entered into force on 25 November 2020. The CASAG Shareholders' Agreement provides for close cooperation between AIAS and ÖBAG with respect to CASAG, in particular with respect to the corporate governance and management of CASAG, as well as certain exit protection rights and minority protection rights of ÖBAG. The CASAG Group Shareholders' Agreement was concluded for a fixed term of 15 years until 6 March 2035, unless terminated earlier, including due to a change of control in relation to AIAS or ÖBAG, a reduction of AIAS' or ÖBAG's shareholding in the CASAG Group below 10%, non-compliance by AIAS or ÖBAG with the agreed corporate governance obligations (such non-compliance being subject to a contractual penalty of EUR 10,000,000) / agreed non-compete obligations or a decrease in consolidated earnings before interest, taxes, depreciation and amortisation (EBITDA) of the CASAG Group by at least 30% as a result of a material adverse change attributable to changes in general economic, political or legislative conditions in any relevant market of the CASAG Group, changes in the financial, banking or capital markets in Austria in general, changes in legislation, regulations, accounting standards, practices and policies or as a result of force majeure.

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- Italian Gaming Holding a.s., a wholly owned subsidiary of AIAS (**IGH**), entered into a cooperation and joint venture agreement on 30 April 2016 with IGT Lottery (formerly Lottomatica Holding S.r.l. and Lottomatica S.p.A.) and AIAS, setting out the terms and conditions relating to the establishment of LottoItalia as concessionaire for the purposes of the tender for the concession of the Gioco del Lotto services and the management of their relationship as shareholders of LottoItalia (as amended by the amendment of 19 May 2017). The LottoItalia Joint Venture Agreement shall remain in force until the expiry or termination of the Concession. The LottoItalia Joint Venture Agreement shall become ineffective as to a party in the event that its status as a shareholder ceases.
- On 30 April 2016, IGH entered into a put and call option agreement with IGT Lottery pursuant to which the parties grant each other option rights to transfer all (but not some) of IGH's shares in LottoItalia to IGT Lottery upon the occurrence of a pre-defined deadlock event.
- AIAS and IGT Lottery S.p.A. have entered into a Memorandum of Understanding regarding Lottoitalia S.r.l., the joint venture responsible for the administration of the Italian Lotto licence, in which the two shareholders have committed to maintain the partnership for the upcoming tender for the Lotto licence. Allwyn is expected to retain a 32.5% shareholding and IGT Lottery, Arianna 2001 and Novomatic Italia are expected to retain a 61.5%, 4% and 2% shareholding respectively, with IGT being the main operating partner. The Italian Lotto and its associated games 10eLotto and MillionDAY have deep roots in tradition and are among the most popular and successful games in Italy with annual ticket sales of approximately EUR 8 billion.
- OPAP has issued several programmes between 2017 and 2022 to issue joint bond loans, a form of bank loan under Greek law, and retail bonds, while Hellenic Lotteries S.A. has issued one joint bond loan.
- On 28 May 2019, CASAG, in its capacity as borrower, entered into a credit agreement with Erste Group Bank AG, Raiffeisen Bank International AG and UniCredit Bank Austria AG as mandated lead arrangers, bookrunners and lenders, Erste Group Bank AG and UniCredit Bank Austria AG as coordinators and Erste Group Bank AG as agent.
- In order to establish the relative rights of certain of its lenders under its financing arrangements, AIAS, certain other Allwyn Group companies, as guarantors, and Kroll Trustee Services Limited, as security agent, are parties to the Intercreditor Agreement dated 16 December 2020, as amended from time to time (the **Intercreditor Agreement**). The Intercreditor Agreement is governed by English law and governs the relationships of the creditors of the Allwyn Group in respect of certain matters, including the relative ranking of certain obligations of AIAS, the Guarantors and any other person who becomes a party to the Intercreditor Agreement as a debtor or third party security provider, when payments may be made with respect to an obligation of the Debtors or the Third Party Security Providers, when action may be taken to enforce such obligation, the terms under which certain of such indebtedness will be subordinated upon the occurrence of certain events of default, turnover provisions and provisions relating to the enforcement of the Common Security.
- On 17 November 2022, AIAS (as the Company and the Original Borrower) and Allwyn Entertainment Financing (UK) plc (as the Original Borrower and the English Original Borrower) entered into the Senior Facilities Agreement 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., 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

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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 its syndicated bank facility by an additional EUR 335.0 million due 2029. In February 2024, AIAS drew down EUR 250.0 million on its EUR 300.0 million revolving credit facility. In March 2024, the Allwyn Group increased its additional borrowings by EUR 500.0 million maturing in 2030 and drew down EUR 240.0 million. Concurrent with the signing of the additional facilities, AIAS cancelled GBP 188.8 million of undrawn commitments under the GBP 380.0 million multi-purpose facility. In March 2024, the Allwyn Group also drew down EUR 240.0 million under the additional facilities and repaid EUR 250.0 million under the EUR 300.0 million revolving credit facility.
- In April 2023, the Allwyn Group issued senior secured notes totalling EUR 665.0 million with an interest rate of 7.250% maturing in 2030 and senior secured notes totalling EUR 700.0 million with an interest rate of 7.250% maturing in 2030. The Allwyn Group also issued USD 6 billion of senior secured notes with an interest rate of 7,875% and maturing in 2029. CZK 500 million of senior secured notes due 2024 in September 2019 and EUR 500 million of senior secured notes due 2027 in February 2020 with an interest rate of 3.875% (initial issue of EUR 300.0 million) and EUR 200.0 million in February 2022 (additional issue of EUR 200.0 million).
- On 31 May 2024, AIAS (as the Company) and Allwyn Entertainment Financing (US) LLC (as the Original Borrower) entered into a Senior Credit Agreement 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.
- In June 2024, KKCG Financing a.s., with its registered office at Evropská 866/71, 160 00 Prague 6, Czech Republic, drew up a base prospectus, which was approved by the Czech National Bank with legal effect on 20 June 2024, on the basis of which it may issue bonds from time to time up to a total aggregate nominal value of CZK 10,000,000,000. The bonds issued under this bond programme are, or after their issue will be, secured, inter alia, by a pledge established on the shares of Allwyn, up to 25% of the shares of Allwyn, pursuant to the *Securities and Account Pledge Agreement* dated 12 July 2024 between KKCG AG, J&T BANKA, a.s and Allwyn AG or other security agreements concluded on the basis of the respective prospectus.

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## 5. DETAILS OF KKCG GROUP

KKCG Group is a major international investment conglomerate with a diversified portfolio covering various industries and geographic regions. KKCG Group's activities are divided into four main sectors: lotteries and gaming, energy, information technology and real estate, reflecting a strategic focus on both traditional and innovative business areas.

These areas are mainly covered by commercial activities

- The Allwyn Group for Lotteries and Gambling;
- MND Group AG and KKCG Methanol Holdings LLC in the energy sector;
- KKCG Technologies s.r.o. for IT and other technologies; and
- KKCG Real Estate Group a.s. for real estate.

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

	<b>2023</b>	<b>2022</b>
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
Other	(43)	(99)
<b>KKCG Group - total</b>	<b>1,421</b>	<b>1,278</b>

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

### 5.1 Lotteries and gaming sector

#### *Overview of the Allwyn Group*

The Allwyn Group is a leading international lottery operator and the largest pan-European lottery operator. It operates lotteries, in most cases under exclusive licences and concessions, in a number of countries including Austria, the Czech Republic, Greece, Cyprus, Italy (through an equity investee) and the United Kingdom, which make up the majority of European countries where lotteries are privately operated, and it also operates the Illinois Lottery in the United States.

It focuses primarily on lotteries, including lottery draw-based games (also known as number lotteries) and instant win lottery games, distributing its products through both physical retail and online channels. Online sales account for an increasing proportion of its revenues. In 2023, online sales accounted for 36% of its gaming revenue (GGR) compared to 24% in 2022, reflecting the adaptation of online sales (~47%) in the UK.

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 territories where the Allwyn Group operates lotteries, it uses well-known brands such as SAZKA in the Czech Republic. Most of these brands are owned by the Allwyn Group, while in some countries, such as Italy and the United Kingdom, the brands are owned by the regulatory authority. The Allwyn Group further benefits from well-established relationships with regulatory authorities, underpinned by a long history of doing business, and has distribution networks that are among the largest in the country (state). Its games benefit from a broad player base that covers, in terms of both gender and age, a significant proportion of the adult population in the countries of operation.



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Lotteries are the Allwyn Group's largest product and the foundation of its business model. The Allwyn Group operates under long-term and in many cases exclusive licences and concessions and has a leading position in the markets in which it operates.

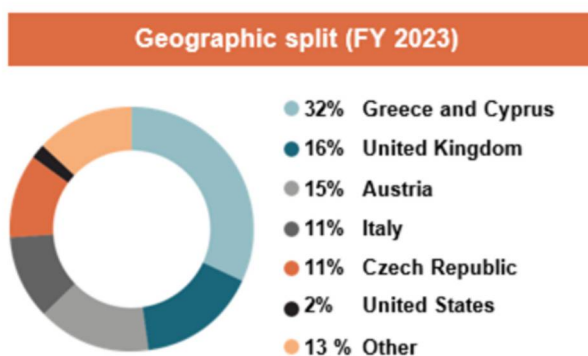
- In Austria, it is the exclusive licensed operator of lotteries, *onshore* online gambling and land-based casinos and therefore has a 100% market share for each of these products.
- In the Czech Republic, it is the market leader in both numerical lotteries and instant lotteries. Within the numerical lottery market, it is currently the only operator of jackpot lotteries and therefore has a 100 % market share in this product, although it does not have an exclusive licence in this market. For the year ending 31 December 2022, H2 Gambling Capital believes it had a 94% market share (in terms of gaming revenue (GGR)) in numerical lotteries and 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 therefore has a 100% market share for each of these products. It is also licensed to operate lotteries in Cyprus. In addition, through Stoiximan, it has market leadership in the non-exclusive iGaming segment in Greece and in the non-exclusive online sports betting segments in Greece and Cyprus.
- In Italy, LottoItalia, which is invested using the equity method, is the exclusive licensed operator of fixed-odds numerical lotteries and therefore has a 100 % market share in this product. It has a 79 % share of the numerical lottery market and a 48 % share of the total lottery market.
- In the UK since the acquisition of Camelot UK in February 2023, is the exclusive licensed operator of the National Lottery (hereafter referred to as UKNL). In 2022, Allwyn's subsidiary, Allwyn UK, was granted an exclusive licence to operate UKNL for a further 10 years commencing in February 2024.
- In the United States, since the acquisition of Allwyn LS Group (formerly Camelot LS Group) in March 2023, it has the exclusive right to operate the Illinois Lottery under a private management agreement until 2027.

The following table summarises the principal operating companies of the Allwyn Group as at the date of this Prospectus:

Operating entity	Country of foundation	Economic interest of Allwyn as of 31 December 2023
Subgroup Casinos Austria AG (CASAG)	Austria	59.70 %
including the subgroup Österreichische Lotterien GmbH (Austrian Lotteries)	Austria	53.52 %
SAZKA a.s. (SAZKA)	Czech Republic	100.00 %
Subgroup OPAP S.A. (OPAP)	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 Group LS)	United States of America	100.00 %
Kaizen Gaming Holding Limited (Kaizen)	Malta	36.75 %

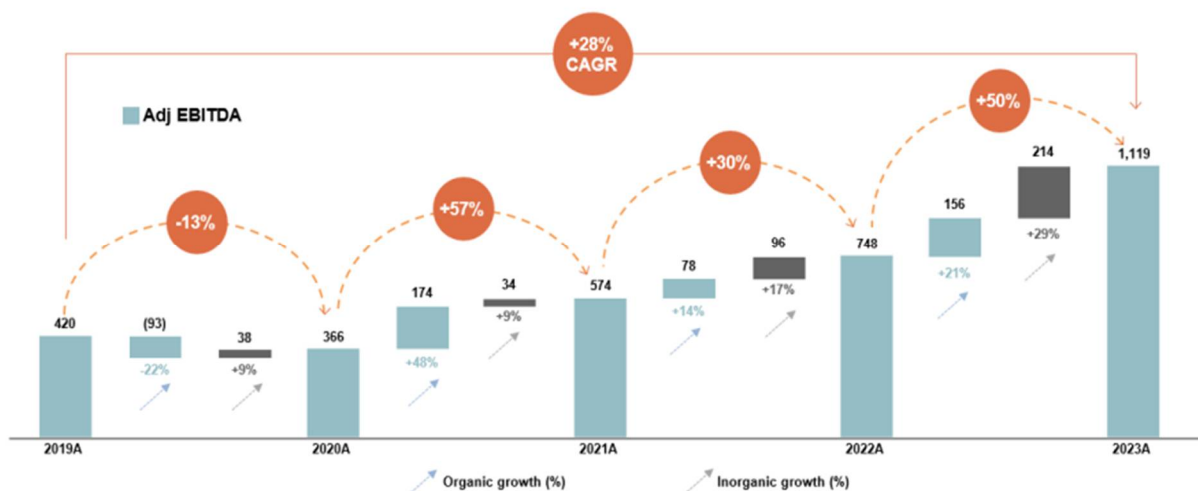
The following chart shows the geographic breakdown based on 2023 Adjusted EBITDA (Adjusted EBITDA pro rata to the operating businesses' business shares):

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The Allwyn Group focuses on operational efficiency and profitability as its primary cash flow accelerator and aims to build a culture focused on performance and efficiency. The Allwyn Group is able to benefit from sharing best practices across the Group, such as product innovation and development, CRM initiatives and procurement strategies, to drive operational efficiencies and accelerate growth. It focuses on purchasing and cost synergies across its markets and seeks savings in areas such as core technology and content delivery, leveraging its scale. It also has a good track record of increasing the profitability of the businesses it acquires and optimising their costs.

This factor contributes to the Allwyn Group enjoying attractive financial characteristics and being able to demonstrate long-term growth in revenue and earnings. The Allwyn Group has achieved a combination of organic and inorganic growth over time, as shown in the chart below.<sup>5</sup>



The Allwyn Group is highly profitable and benefits from strong and stable margins. In the year ended 31 December 2023, the Allwyn Group's Adjusted EBITDA margin was 40%. In addition, it has a favourable cost structure, with over 90% of its cost base being variable or discretionary in the short to medium term. The Allwyn Group's subsidiaries are equally profit generating and their ongoing capital expenditure requirements are low. This reflects the Allwyn Group's business model, based on a low volume of assets. It is for this reason that the vast majority of its points of sale in the markets in which it operates are owned by third parties. Consequently, the Allwyn Group is able to pay significant dividends to KKCG AG, as shown in the table below.

<sup>5</sup> Organic EBITDA growth is calculated as the sum of: year-over-year growth in Adjusted EBITDA for each segment or significant equity method investee on a 100% basis, multiplied by Allwyn's business share at the end of the prior year. Inorganic EBITDA growth represents the remainder of the increase in Adjusted EBITDA in proportion to Allwyn's interest in each operating entity. \*The abbreviation CAGR stands for Compound Annual Growth Rate.

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Dividends and cash paid to KKCG AG in (EUR million):

FY2019	FY2020	FY2021	FY2022	FY2023
150	150	200	324	978 <sup>6</sup>

*History of the Allwyn Group*

The history of the Allwyn Group dates back to 2011, when KKCG Group became a co-owner of SAZKA, the current Czech lottery operator. In 2012, KKCG Group became the sole owner of SAZKA and since then Allwyn Group has grown organically, through acquisitions and participation in public tenders. Until 2021, the Allwyn Group operated under the SAZKA Group brand and subsequently Allwyn became the new brand of the Allwyn Group.

Since the initial investment in SAZKA, the Allwyn Group's approach to inorganic growth has consisted of three key pillars: (i) increasing ownership stakes in existing operating companies, (ii) entering new markets through participation in tenders and privatisation processes, and (iii) making strategic acquisitions. Our recent inorganic growth trajectory illustrates our success in implementing each of these pillars.

***Czech Republic (2011 - present)***

In 2011, the Allwyn Group acquired a stake in SAZKA, which took over the assets of the leading lottery operator in the Czech Republic. In 2012, it acquired all of the remaining issued and outstanding shares of SAZKA. In this section, the Allwyn Group also refers to the Allwyn Group's predecessor organisations and its shareholders.

***Greece and Cyprus (2013-present)***

In 2013, the Allwyn Group entered the Greek and Cypriot markets as a member of a consortium that acquired a 33.0% stake in Greek gaming champion OPAP, representing less than 24% of the business. Since 2013, it has bought out the business interests of the other shareholders of the acquisition vehicle of the consortium, SAZKA Delta AIF Variable Capital Investment Company Ltd (SDAVCIC) and on 17 February 2022, it purchased the remaining business 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, which controlled the voting shares in SDAVCIC. Allwyn Greece & Cyprus Holding 2 Ltd subsequently capitalised all of its non-voting investor shares in SDAVCIC, bringing the total number of shares held by SDAVCIC in Allwyn Greece & Cyprus Holding Ltd to 24. Following the approval of the Cyprus Securities and Exchange Commission, SDAVCIC voluntarily surrendered its AIFM license in November 2023, following which both SDAVCIC and SDM will be dissolved in order to simplify our corporate structure.

In addition, the Allwyn Group acquired a 7.3% stake during a voluntary tender offer in 2019, increasing its economic interest to 32.0%, and made subsequent open market purchases and elected to reinvest OPAP dividends into the purchase of new shares through the five-year (2019-2023) OPAP dividend reinvestment programme (*the scrip dividend programme*), which has not been renewed.

As of 31 December 2023, the Allwyn Group held a 50.71% interest in OPAP.

In 2018, OPAP strengthened its position in Greece when it 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 stake in Stoiximan to 84.50%. On 20 April

<sup>6</sup> Includes the redemption of EUR 678 million of preferred shares issued by Allwyn AG and held by funds managed by Apollo Global Management Inc.

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2022, the wholly owned subsidiary AIAS signed an agreement to acquire OPAP's 36.75% stake in Kaizen.

***Austria (2015 - present)***

Allwyn Group entered the Austrian market in 2015 by acquiring shares in CASAG and its subsidiary Austrian Lotteries, the exclusive provider of lotteries and iGaming in Austria. Since 2015, it has increased its shareholding in CASAG through a number of transactions and as of 31 December 2023 owned 59.7% of CASAG.

***Italy (2016 - present)***

In 2016, the Allwyn Group entered the Italian market with the establishment of the LottoItalia joint venture with International Game Technology PLC. As of 31 December 2023, the Group owned 32.5% of the share capital of LottoItalia.

***United Kingdom (2022-present)***

In March 2022, the Gambling Commission selected Allwyn UK as the preferred applicant for a UKNL licence from 1 February 2024 following a rigorous selection process and formally awarded the licence to Allwyn UK in September 2022.

To facilitate the transition, on 19 November 2022, the Allwyn Group announced the acquisition of Camelot UK, the then operator of UKNL, with the acquisition completed on 5 February 2023. Camelot UK operated UKNL from its launch in 1994 until 31 January 2024. Allwyn UK successfully commenced operation of UKNL under the new licence on 1 February 2024.

***United States (2022 - present)***

In December 2022, the Allwyn Group announced the acquisition of Camelot LS Group, which operates the Illinois Lottery under a private management agreement through its operating company, Camelot Illinois LLC, and has partnered with the Arkansas Scholarship Lottery to enhance its lottery operations through its consulting services. Camelot LS Group also includes a technology division that provides products and services to lotteries in Europe and North America. The acquisition of Camelot LS Group was completed on 6 March 2023.

In February 2024, Allwyn announced an agreement to acquire a 70% stake in Instant Win Gaming (IWG) to expand the Allwyn Group's portfolio. IWG is a leading supplier of online instant games to lotteries and works with over 25 national and state lotteries worldwide, with a strong presence in North America. The transaction is expected to close in the second half of 2024, subject to customary closing conditions.

## **5.2 Energy Sector**

KKCG Group's energy division, which forms the basis of its diversified portfolio, has been a dynamic force in the international energy market since its inception in the 1990s. KKCG Group's first entry into the energy sector was the acquisition of Moravské naftové doly a.s. (MND a.s.). Over the years, KKCG Group has become a major player in the European energy market and has expanded its operations into the United States of America with the establishment of a methanol plant by US Methanol LLC in West Virginia, which, as a company, represents KKCG Group's efforts to expand its global footprint in the energy sector.

The energy strategy of MND Group, the energy pillar of KKCG Group, follows the challenges and opportunities of the 21st century, especially in the context of the European Green Deal. The MND Group has set itself ambitious targets. By 2025, it wants to achieve 100% energy autonomy for the

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MND Group from green sources. According to the Issuer, the MND Group is currently the fastest growing independent energy supplier in the Czech Republic with a quarter of a million electricity and gas customers, reflecting the rapid expansion of the MND Group as well as its strong market position.

The MND Group's biggest effort is behind innovation in the energy sector. MND Group has expanded its traditional business activities, primarily focused on oil and gas exploration and extraction, to include state-of-the-art technologies that contribute to environmental protection. These include carbon capture and storage (CCS) and increasing energy autonomy from blue and green sources. Geothermal energy, which is closely related to the core business of the MND Group, is seen as a potential growth area. The MND Group is actively exploring the potential of reusing decommissioned oil and gas wells for geothermal purposes. In addition, the MND Group is heavily involved in renewable energy sources such as wind and solar power. The construction of the Oriv wind farm in Ukraine is one of the Group's most significant current projects.

Oil and gas exploration and extraction remain important aspects of the MND Group's business activities. The MND Group's drilling and workover operations are international in scope and operate in a number of European countries. The MND Group's modern drilling rigs are designed to be powered directly from the high voltage grid, enabling deep geothermal energy wells to be drilled throughout Europe with minimal greenhouse gas emissions. The MND Group is also engaged in underground well workovers and the removal of old environmental burdens through the disposal of depleted and unneeded wells.

The MND Group boasts an energy storage capacity in excess of 10 TWh. Since 1999, the MND Group has been engaged in the construction and operation of underground storage facilities. In 2001, the MND Group built the Uhřice underground gas storage facility, which underwent a major modernisation twelve years later and is now one of the most modern and flexible storage facilities in Europe. It is worth noting that, from 2021, this facility is capable of storing hydrogen mixed with natural gas up to 5 % H<sub>2</sub>, thereby storing transformed electricity. Following on from this, the MND Group has completed the acquisition of underground storage facilities in Germany, Stockstadt and Hähnlein, which are also capable of storing hydrogen mixed with natural gas. In 2016, the MND Group commissioned one of the largest underground storage facilities in the Czech Republic, the Dambořice facility.

In 2014, MND Group strategically entered the retail energy market. Despite strong competition and low propensity of customers to switch suppliers in the Czech market, MND Group managed to create a strong retail brand. By using its own production and monitoring prices on the wholesale market, MND Group is able to offer its customers long-term favourable prices. MND Group has also become one of the largest traders of energy commodities in the Czech Republic. MND Trading trades commodities such as gas, electricity, oil, coal and CO<sub>2</sub>, and is actively expanding its geographic footprint, strengthening its position as a major European player in the gas storage capacity market.

### **5.3 Information technology sector**

The Information Technology (IT) sector as part of the KKCG Group shows its interest in innovation and technological advancement. The KKCG Group leverages on its extensive reach and the stability provided by the KKCG conglomerate to penetrate new markets, drawing on its extensive expertise in the IT sector. KKCG Group's IT pillar is anchored in ARICOMA Group, which is the largest Czech IT holding company and also covers software development companies operating under the Qinshift and Avenga brands. ARICOMA Group's ambition is to become an international leader, which it is continuously approaching.

The ARICOMA Group consists of a set of companies that have built up a strong presence not only in Europe, in countries such as the Czech Republic, Slovakia, Sweden, Belgium, Poland, Bulgaria, Germany, Switzerland, but also outside Europe, in countries such as Argentina and the USA. The diverse mix of companies has enabled ARICOMA to successfully penetrate new markets in Western



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Europe and other territories. ARICOMA offers a comprehensive portfolio of services in the IT sector, covering the entire spectrum of demand from businesses in this sector.

Key areas of focus:

- **Application development:** Qinshift and Avenga specialise in creating tailored applications for the commercial sector, providing solutions that increase efficiency and innovation in business.
- **System integration:** the Group has expertise in integrating complex systems to ensure the smooth operation of various IT infrastructures.
- **Digitisation projects:** the ARICOMA is actively involved in the digitisation of public administration and contributes to the modernisation of public services.
- **Cyber security:** given the critical importance of security in the digital age, ARICOMA places great emphasis on protecting data and systems from cyber threats.

Springtide Ventures, a subsidiary of KKCG AG, has been investing in European and Israeli startups operating in high-growth IT segments such as cloud computing, IT security, artificial intelligence and online business platforms since 2016. Springtide Ventures focuses on more mature projects that have already developed a product, achieved market compatibility and built a customer base. With representation in Europe, Israel and the US, Springtide Ventures is instrumental in supporting startups on their path to growth and global expansion.

Although KKCG Group has not traditionally been associated with the IT sector, its entry into the biotechnology sector demonstrates the Group's willingness to invest in high-cost, high-risk research and development. In the Czech Republic, KKCG Group is one of the few brave entrepreneurs venturing into the field of biotechnology and medical devices that improve the quality of life of patients. Notable achievements include the production of unique *cervical dilators*.

### 5.4 Real estate sector

KKCG Group has made a significant impact on the real estate industry through its specialist division KKCG Real Estate Group. This division represents KKCG Group's intention to participate in exceptional architecture in prestigious locations, with a strong focus on environmental sustainability. KKCG Group's real estate activities are not limited to aesthetic and architectural excellence, but also include strategic investments in commercial or residential properties and comprehensive property management services in the Czech Republic as well as in the regions of Western Europe.

Expanding into real estate projects in 2012, KKCG Real Estate Group focuses on residential and commercial development, facility management and construction management. The Group's approach is characterised by close collaboration with partners, innovation and an emphasis on environmental sustainability. KKCG Real Estate Group's vision is to create lasting value through the harmonisation of *genius loci* with cutting-edge architecture, while adhering to the principles of sustainable development.

KKCG Real Estate Group's project portfolio features projects that reflect a strong emphasis on dedication to quality and design. These include the top' residence brand, which is synonymous with high quality residential projects known for their functional design. Top' residence Pomezí was awarded the "Prague 5 Architects' Award" in the Real Estate Project of the Year 2020 competition, underlining the Group's commitment to architectural excellence and client satisfaction.

Another flagship project is the Bořislavka Centre, which has enriched the architectural landscape of Prague. This new office and commercial centre consists of four buildings designed as irregular



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crystals, strategically located on European Street - the gateway to the city from Václav Havel Airport. Bořislavka Centrum, to be completed in 2021, is the largest project to date undertaken by KKCG Real Estate Group.

In line with its vision of sustainable development, KKCG Real Estate Group invests in projects that not only meet current needs, but also take into account the long-term impact on the environment. The Group's determination to innovate and maintain sustainable development sites ensures that each project has a positive impact on the surrounding environment and community.

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## 6. SELECTED FINANCIAL INFORMATION OF THE ALLWYN GROUP

*This article presents an overview of selected financial information of the Allwyn Group. The consolidated statement of comprehensive income, consolidated statement of financial position and consolidated statement of cash flows have been extracted from the audited consolidated financial statements of the Allwyn Group for the year ended 31 December 2023 and 31 December 2022, which have been prepared in accordance with IFRS. All figures are presented in millions unless otherwise stated.*

### 6.1 Allwyn Group Consolidated Statement of Comprehensive Income

	Year ending 31 December	
	2023	2022
Revenue from gaming activities (GGR)	7,549.4	3,811.3
Revenue from non-gaming activities	328.7	176.9
<b>Total revenue</b>	<b>7,878.1</b>	<b>3,988.2</b>
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)
<b>Profit from operating activities</b>	<b>890.3</b>	<b>808.2</b>
Interest income	38.8	7.5
Interest expense	(310.6)	(227.5)
Other financial income and expense	(35.2)	(29.7)
<b>Finance costs, net</b>	<b>(307.0)</b>	<b>(249.7)</b>
<b>Profit before tax</b>	<b>583.3</b>	<b>558.5</b>
Income tax expense	(188.2)	(144.9)
<b>Profit after tax</b>	<b>395.1</b>	<b>413.6</b>
<i>Items that are or may be subsequently reclassified later 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 obligations, net of tax	(15.3)	26.4
Revaluation of equity instruments at fair value through OCI (FVOCI)	(3.1)	0.2
<b>Total other comprehensive income/(loss)</b>	<b>(52.0)</b>	<b>35.7</b>
<b>Total comprehensive income</b>	<b>343.1</b>	<b>449.3</b>
<b>Profit after tax attributable to:</b>		
Owners of the Company	108.9	38.2
Non-controlling interests	286.2	375.4
<b>Profit after tax</b>	<b>395.1</b>	<b>413.6</b>
<b>Total comprehensive income attributable to:</b>		
Owners of the Company	64.5	62.8
Non-controlling interests	278.6	386.5
<b>Total comprehensive income</b>	<b>343.1</b>	<b>449.3</b>

### 6.2 Consolidated statement of financial position of the Allwyn Group

	Year ending 31 December	
	2023	2022
ASSETS		

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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
<b>Total non-current assets .....</b>	<b>4,742.6</b>	<b>4,513.4</b>
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
<b>Total current assets .....</b>	<b>2,867.0</b>	<b>1,619.9</b>
<b>TOTAL ASSETS.....</b>	<b>7,609.6</b>	<b>6,133.3</b>
<b>LIABILITIES</b>		
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
<b>Total non-current liabilities.....</b>	<b>4,510.7</b>	<b>3,885.9</b>
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
<b>Total current liabilities .....</b>	<b>2,794.8</b>	<b>1,517.4</b>
<b>TOTAL LIABILITIES .....</b>	<b>7,305.5</b>	<b>5,403.3</b>
<b>EQUITY</b>		
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)
<b>Total equity attributable to owners of the Company.....</b>	<b>(735.3)</b>	<b>(478.8)</b>
Non-controlling interest .....	1,039.4	1,208.8
<b>Total equity .....</b>	<b>304.1</b>	<b>730.0</b>
<b>TOTAL EQUITY AND TOTAL LIABILITIES.....</b>	<b>7,609.6</b>	<b>6,133.3</b>

### 6.3 Consolidated statement of cash flows of the Allwyn Group

	<b>Year ending 31 December</b>	
	<b>2023</b>	<b>2022</b>
<b>OPERATING ACTIVITIES</b>		
<b>Profit (+) for the accounting period</b>	<b>395.1</b>	<b>413.6</b>
Adjustment 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 the 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
<b>Operating result before change in working capital</b>	<b>1,068.1</b>	<b>942.2</b>
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

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<b>Cash flows generated from (+)/used in (-) operations</b>	<b>1,292.8</b>	<b>1,071.5</b>
Interest paid	(195.2)	(117.4)
Income tax paid	(245.0)	(171.5)
<b>Net cash generated from (+)/used in (-) operating activities</b>	<b>852.6</b>	<b>782.6</b>
<b>INVESTING ACTIVITIES</b>		
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)
Repayments 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 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
<b>Net cash generated from (+)/used in (-) investing activities</b>	<b>83.4</b>	<b>27.9</b>
<b>FINANCIAL ACTIVITIES</b>		
Purchase of non-controlling interests 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)
<b>Net cash generated from (+)/used in (-) financing activities</b>	<b>(331.0)</b>	<b>(963.5)</b>
<b>Net decrease (-)/increase (+) in cash and cash equivalents</b>	<b>605.0</b>	<b>(153.0)</b>
Effect of currency translation on cash and cash equivalents	1.1	(2.1)
<b>Cash and cash equivalents at the beginning of the year</b>	<b>1,211.2</b>	<b>1,366.3</b>
<b>Cash and cash equivalents at year-end</b>	<b>1,817.3</b>	<b>1,211.2</b>

\* The lines "Interest received" and "Interest paid" represent interest at the contractual rate and are included in cash flows from operating activities.

#### 6.4 Alternative performance measures used by the Allwyn Group

This Prospectus contains selected financial data and ratios that are not calculated in accordance with, and are not defined by, IFRS and are considered to be alternative performance measures as defined in the Guidelines on Alternative Performance Measures issued by ESMA and effective as of 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 income 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 earnings to repay debt, capital expenditures and working capital requirements. Alternative Performance Measures have limitations as analytical tools and should not be considered by investors in isolation or as a substitute for analysis of the results presented in the Allwyn Group's financial statements, and investors should not place undue reliance on Alternative Performance Measures.

The Issuer believes that the Alternative Performance Measures as well as the Pro Rata Indicators are helpful in understanding the Allwyn Group's business performance as they indicate its ability to service its debt. The Alternative Performance Measures disclosed in this Prospectus have not been audited, reviewed or otherwise reported on by an independent auditor.

##### (a) Operating EBITDA and Adjusted EBITDA

Operating EBITDA is calculated as (i) Profit before tax before Finance costs, net,<sup>7</sup> plus (i) Depreciation and amortisation, (ii) Impairment of tangible and intangible assets, including goodwill and (iii) Other gains and losses. The following table sets out the translation of EBITDA operating profit to profit after tax:

<sup>7</sup> Profit before tax before Finance costs, net is equal to Profit from operating activities.

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For the year ended 31 December	2023	2022
<b>Total operating EBITDA of the Allwyn Group</b>	<b>1,281.1</b>	<b>1,069.6</b>
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 financial income and expense	(35.2)	(29.7)
Income tax expense	(188.2)	(144.9)
<b>Profit after tax</b>	<b>395.1</b>	<b>413.6</b>

Adjusted EBITDA of the Allwyn Group is as follows:

Total operating profit 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)
<b>Total consolidated adjusted EBITDA</b>	<b>1,447.4</b>	<b>1,133.3</b>

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

Adjusted EBITDA for the period - 100% basis	FY 2023	FY 2022
Austria adjustments		
Argentina Arbitration gain <sup>8</sup>	(2.3)	(5.6)
COVID subsidies <sup>9</sup>	8.0	--
Other	--	0.4
<b>Austria adjustments total</b>	<b>5.7</b>	<b>(5.2)</b>
Czech Republic adjustments		
One-off contract income <sup>10</sup>	(1.2)	--
Change in accounting principles <sup>11</sup>	(5.2)	--
<b>Czech Republic adjustments total</b>	<b>(6.4)</b>	<b>--</b>
Greece and Cyprus adjustments		
Litigation provisions and fines <sup>12</sup>	25.2	1.0
COVID-19 related extraordinary costs <sup>13</sup>	--	4.4
Derecognition of lease <sup>14</sup>	(12.9)	--
Other	(0.5)	(0.8)
<b>Greece and Cyprus adjustments total</b>	<b>11.8</b>	<b>4.6</b>
United Kingdom adjustments		
Expenses related to the licence offer and transaction costs <sup>15</sup>	6.6	19.9
Restructuring <sup>16</sup>	3.7	1.0
Change in accounting principles <sup>17</sup>	7.5	--
Litigation settlement income <sup>18</sup>	--	(3.5)
<b>United Kingdom adjustments total</b>	<b>17.8</b>	<b>17.4</b>
Allwyn LS Group adjustments		
Preference dividend income <sup>19</sup>	(5.1)	1.7
Transaction costs <sup>20</sup>	6.2	--
<b>Allwyn LS Group total</b>	<b>1.1</b>	<b>1.7</b>

<sup>8</sup> Represents the gain on the recognition of the fair value of the arbitration award against the Argentine government in relation to the cancellation of the concession in 2013 (see Note 7 to Allwyn's financial statements).

<sup>9</sup> Represents an adjustment related to previously recognised COVID grant receivables.

<sup>10</sup> Represents a one-off contractual penalty from the game system provider.

<sup>11</sup> Represents the non-cash impact of a change in accounting methodology relating to the calculation of gaming taxes.

<sup>12</sup> Represents non-cash changes to litigation provisions and the fine imposed by the Hellenic Competition Commission in September 2023.

<sup>13</sup> Represents certain one-off expenditures related to the COVID-19 restrictions (including write-offs of agents' claims and special support to agents, which represented a form of direct and indirect financial support to the OPAP agent network during the COVID-19 restrictions).

<sup>14</sup> Represents the income from the termination of the lease of Markopoulo Park (Greek horse racing centre).

<sup>15</sup> Represents expenditure relating to Camelot UK's bid to operate an additional UK National Lottery licence and expenditure relating to the Group's acquisition of Camelot UK.

<sup>16</sup> Represents the cost of staff restructuring.

<sup>17</sup> Represents the impact of a change in accounting methodology relating to the calculation of lotteries and other fees.

<sup>18</sup> Represents one-time income from the settlement of a historic lawsuit.

<sup>19</sup> Represents adjustments related to the allowance for expected recoverability of preferred dividend receivables (in 2022 an allowance for expected credit losses on receivables was recognized for the year, in 2023 all amounts were received and previously recognized allowances were reversed).

<sup>20</sup> Represents expenditure relating to the acquisition of the Allwyn LS Group.

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<b>Italy adjustments total</b>	--	--
Corporate adjustments		
The National Lottery transition costs <sup>21</sup>	142.2	21.3
Business development and financing <sup>22</sup>	15.9	43.0
<b>Corporate adjustments total</b>	<b>158.1</b>	<b>64.3</b>

<b>EUR million</b>	<b>FY 2023</b>	<b>FY 2022</b>	<b>Δ</b>
Adjusted EBITDA	1,447.4	1,133.3	28%

(b) Net revenue

Net income 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 less Cash and cash equivalents.

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

<b>Net debt as of 31 December 2022</b>	<b>Cash and cash equivalents</b>	<b>External loans and loans</b>	<b>Net debt</b>
<b>Total consolidated</b>	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.

<b>Net debt + leases at 31 December 2023</b>	<b>Net debt</b>	<b>Lease liabilities</b>	<b>Net debt + leases</b>
<b>Consolidated total</b>	2,316.5	123.7	2,440.2

<b>Net debt + leases as of 31 December 2022</b>	<b>Net debt</b>	<b>Lease liabilities</b>	<b>Net debt + leases</b>
<b>Consolidated total</b>	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.

Selected consolidated financial data

<sup>21</sup> Represents the transitional costs incurred in connection with Allwyn UK's operation of the UK National Lottery from 1 January 2024. The substantial majority of these costs are expected to be recoverable over the 10-year period of the licence.

<sup>22</sup> Represents costs associated with inorganic business development and financing projects.



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<b>EUR million</b>	<b>FY 2023</b>	<b>FY 2022</b>	<b>Δ</b>
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%

## 6.5 Selected pro-rata financial data

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

The total unaudited pro rata financial information set forth below was calculated by multiplying each operating segment's respective metric on a 100% basis and on a "corporate" basis by the economic interest that Allwyn owned in such operating segment at the end of the applicable period and summing the two. The Allwyn Group identifies the following operating segments that are also reportable segments:

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

The geographical segmentation corresponds to the main operating entities of the Allwyn Group, which were CASAG, SAZKA, OPAP and Camelot UK. As a result of the acquisition of Camelot UK, management has recognised the UK as a new operating and reportable segment on 31 March 2023.

The Allwyn LS Group does not meet the criteria to be presented as an operating segment. However, key financial measures relating to the Allwyn LS Group are presented separately below in the reconciliation of reportable segment measures to the consolidated measures and further in note 6.

The results of the UK segment and the Allwyn LS Group are presented as if they had been consolidated for the twelve months ended 31 December 2023, however consolidation commenced from February 2023 and March 2023 respectively.

### (a) Selected relative Alternative Performance Measures

Proportionate ratios are calculated as the sum of the ratios for each segment and significant equity method investment as if it were fully consolidated multiplied by the Allwyn Group's interest in each segment or significant equity method investment at the end of the reporting period.

<b>EUR million</b>	<b>FY 2023</b>	<b>FY 2022</b>	<b>Δ</b>
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%

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Net debt as of 31 December 2023	Cash and cash equivalents <sup>23</sup>	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)
Company website	290.7	3,420.5	3,129.8	13.1	3 142.9	100.00%	3,129.8	3 142.9
<b>Total consolidated</b>	<b>1,817.3</b>	<b>4,133.80</b>	<b>2,316.5</b>	<b>123.7</b>	<b>2,440.2</b>			
Italy	256.3	--	(256.3)	0.2	(256.1)	32.50%	(83.3)	(83.2)
Other							(186.7)	(173.4)
<b>Total pro rata</b>							<b>2,180.7</b>	<b>2,282.4</b>

Net debt as of 31 December 2022	Cash and cash equivalents <sup>24</sup>	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
Company website	84.0	2,038.5	1,954.5	6.7	1,961.2	100.00%	1 954.5	1 961.2
<b>Total consolidated</b>	<b>1,211.2</b>	<b>2,903.4</b>	<b>1,692.2</b>	<b>130.7</b>	<b>1,822.9</b>			
Italy	196.0	--	(196.0)	0.2	(195.8)	32.50%	(63.7)	(63.6)
Other							(73.4)	(72.6)
<b>Total pro rata</b>							<b>1,627.1</b>	<b>1,712.9</b>

(b) Austria - 100% basis

EUR million	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 million	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 million	FY 2023	FY 2022	Δ
Net revenue	1,537.2	1,439.1	7%
Adjusted EBITDA	742.1	730.1	2%

<sup>23</sup> Including cash-pooling assets in Italy.

<sup>24</sup> Including cash-pooling assets in Italy.

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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 Kingdom<sup>25</sup> - 100% basis

EUR million	FY 2023	FY 2022	Δ
Net revenue	813.4	834.2	(2)%
Adjusted EBITDA	181.4	190.5	(5)%
Net debt + lease	(307.8)	(184.4)	67%
Pure leverage	(1.7)	(1.0)	70%
CAPEX	8.5	10.2	(17)%
Adjusted free cash flow	172.9	180.3	(4)%

(f) Allwyn LS Group<sup>26</sup> - 100% basis

EUR million	FY 2023	FY 2022	Δ
Adjusted EBITDA	28.2	30.0	(6)%
Net debt + lease	(52.1)	(49.5)	5%
Pure 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 investment - 100% basis

EUR million	FY 2023	FY 2022	Δ
Net revenue	477.0	458.6	4%
Adjusted EBITDA	386.0	373.3	3%
Net debt + lease	(256.1)	(195.8)	31%
Pure 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 <sup>27</sup>	50.71%	50.09%
United Kingdom	100.00%	--
Allwyn LS Group	100.00%	--
Company website	100.00%	100.00%
Italy	32.50%	32.50%

<sup>25</sup> The UK segment is only consolidated from February 2023 onwards, however the 2023 results are shown for the full period for comparability. Revenue in the comparative period is not fully comparable due to the impact of changes in accounting policies post consolidation (restatement of comparatives was not possible). In addition, the FY 2023 period includes 53 weeks in the UK segment. Growth rates on a comparable presentation basis adjust for these impacts.

<sup>26</sup> The Allwyn LS Group is only consolidated from March 2023; however, results are shown for the full year/quarter for comparability; prior period results are shown for comparison only.

<sup>27</sup> For Allwyn's Greece and Cyprus segment, the number of shares excludes treasury shares held by OPAP.

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## 7. SELECTED FINANCIAL INFORMATION OF KKCG GROUP

*This section provides an overview of selected KKCG financial information. The financial information in the table headed "Data from the consolidated statement of comprehensive income of KKCG AG" has been extracted without material adjustment from the consolidated financial statements of KKCG AG, which are not incorporated by reference in this Prospectus. All figures are stated in EUR million unless otherwise stated.*

### 7.1 Selected information from the consolidated statement of comprehensive income of KKCG AG

	Year ending 31 December	
	2023	2022
Revenues	10,827	12,947
Other operating income	331	369
<b>Total Income</b> .....	<b>11,158</b>	<b>13,316</b>
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, amortisation and impairment	(520)	(320)
<b>Profit from operating activities</b> .....	<b>901</b>	<b>958</b>
Interest income.....	54	14
Financial income.....	34	39
Financial costs .....	(491)	(335)
<b>Net financial cost</b> .....	<b>(403)</b>	<b>(282)</b>
<b>Profit before tax</b> .....	<b>498</b>	<b>676</b>
Income tax expense .....	(208)	(178)
<b>Profit for the year</b> .....	<b>290</b>	<b>498</b>
<b>Other comprehensive income / (loss) for the year</b>	<b>(106)</b>	<b>34</b>
<b>Total comprehensive income for the year</b>	<b>184</b>	<b>532</b>

*The 'Depreciation, amortisation and impairment' line includes the amortisation of Camelot UK Lotteries Limited's third UK National Lottery licence.*

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

### 7.2 Selected information from the consolidated statement of financial position of KKCG AG

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

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### 7.3 Alternative Performance Measures used by KKCG Group

This Prospectus also includes a Consolidated EBITDA measure in relation to KKCG Group, which is not calculated in accordance with IFRS and is considered an Alternative Performance Measure as defined in the APM Guidance.

KKCG calculates consolidated EBITDA as operating profit plus depreciation, amortisation and impairment. Consolidated EBITDA is an indicator of the profitability of the KKCG Group. KKCG Group's Consolidated EBITDA for 2022 is EUR 1,278 million and for 2023 is EUR 1,421 million.

Consolidated EBITDA of KKCG Group:

	<b>2023</b>	<b>2022</b>
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
Other	(43)	(99)
<b>KKCG Group - total</b>	<b>1,421</b>	<b>1,278</b>

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

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**8. REASONS FOR THE OFFERING AND USE OF PROCEEDS FROM THE ISSUE**

The net proceeds received from the issue of the Bonds will, after payment of all fees, costs and expenses, be made available to KKCG AG by way of a loan or other form of financing for the purpose of financing ordinary business activities as well as acquisitions, financial investments and operations, dividends or refinancing of existing loans.

The proceeds of the Issue will not be used to finance activities and acquisitions in the fields of lottery, gaming or oil and gas extraction and processing.

The Issuer estimates that the net proceeds of the Issue (assuming issuance of the full expected nominal value of the Issue and assuming the composition of the investors) will be approximately EUR 157,250,000.

The Issuer estimates that the fees, costs and expenses in connection with the Issue, relating in particular to the preparation of the Prospectus and related services, the approval of the Prospectus, ISIN assignment, the issuance and placement of the Bonds, the admission of the Bonds to trading on the regulated free market of the BSE, legal services and other professional activities, will total approximately EUR 2,750,000.



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**9. TERMS AND CONDITIONS OF THE BONDS**

This article 9 of the Prospectus, which is also referred to as the Terms and Conditions, contains the terms and conditions governing the bonds (the **Issue** or the **Bonds**, which term shall also include one **Bond**) and, pursuant to Section 3(11) of Act No. 530/1990 Coll. on Bonds, as amended (the **Bonds Act**), supersedes the terms and conditions of the Bonds.

For the sake of clarity, the paragraphs of this part are numbered separately. A reference to an article or paragraph means a reference to an article or paragraph of these Terms and Conditions, unless otherwise indicated.

The Bonds are issued by KKCG Financing 2 a.s., with its registered office at Dúbravská cesta 14, 841 04 Bratislava, Slovak Republic, Identification No.: 55 970 494, registered in the Commercial Register of the Municipal Court Bratislava III, Section: Sa, Insert No.: 7635/B, LEI: 097900CAKA0000199795 (the **Issuer**).

**1. LEGAL REGULATIONS GOVERNING THE ISSUANCE OF THE BONDS**

- 1.1 The Bonds are issued by the Issuer in accordance with the Bonds Act, as amended, and Act No. 566/2001 Coll. on Securities and Investment Services, Amending and Supplementing Certain Acts, as amended (the **Securities Act**).
- 1.2 The issue of the Bonds was approved by the decision of the Issuer's board of directors on 2 September 2024. Approval by another body of the Issuer is not required.

**2. CLASS, NAME, ISIN, FISN, CFI, TOTAL NOMINAL VALUE AND ISSUE PRICE OF THE SECURITIES**

- 2.1 The class of the security is: secured bond. The Bond is secured by a pledge over certain assets of the Issuer and its affiliates.
- 2.2 The name of the Bonds is: KKCG FINAN II 5,90/2029.
- 2.3 The total nominal amount of the Issue, i.e. the maximum amount of nominal values of the Bonds being issued, is up to EUR 160,000,000.
- 2.4 The ISIN of the Bonds is SK4000025938. The FISN of the Bonds is KKCFin2/5.9 BD 20291017. The CFI of the Bonds is DBFSDB.
- 2.5 The issue price of the Bonds for the Bond Issue Date was set at 100% of the Nominal Value (the **Issue Price**). The Issue Price for every following day falling within the underwriting period of the Bonds (the primary sale) shall be increased by the corresponding accrued interest calculated using the following formula:

$$EK = 100 \% + \left( \frac{5.9 \%}{360} \times PD \right)$$

where

**EK** means the increased issue price expressed as a % of the Nominal Value of the Bond; and

**PD** means the number of days from the Issue Date (or the last Interest Payment Day if some Bonds are issued after that date) to the subscription (sale) date; the BCK Standard 30E/360

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Convention shall be used in the calculation pursuant to article 2.6 of the Terms and Conditions.

The Issue Price after the Issue Date may be further adjusted by the Issuer depending on the development of market conditions in the period before the issuance of the given tranche of the Bonds and published in the manner specified in article 26 of the Terms and Conditions.

- 2.6 For the purposes of the calculation of interest income attributable to the Bonds for a period of less than one year (as well as other calculations under the Terms and Conditions), one year shall be deemed to include 360 days divided into 12 months of 30 calendar days; if a month is incomplete, the actual number of days shall be used (the **BCK Standard 30E/360 Convention**). Interest rate and calculation of income on the Bonds by the Calculation Agent will be final and binding on all Bondholders (save for a manifest error).

### **3. FORM, TYPE, METHOD OF ISSUE OF BONDS AND ISSUE DATE**

- 3.1 The Bonds are book-entered bearer security registered with Centrálny depozitár cenných papierov SR, a.s., a company with its registered office at ul. 29. augusta 1/A, 814 80 Bratislava, Slovak Republic, Identification No.: 31 338 976, registered with the Commercial Register of the Municipal Court Bratislava III, Section: Sa, Insert No.: 493/B (the **Central Depository**) under the Securities Act.
- 3.2 The Bonds will be issued in euros, with the nominal value of each of the Bonds being EUR 1,000 (the **Nominal Value**). The total number of the issued Bonds will be no more than 160,000.
- 3.3 The date of issuance of the Bonds (also the **Issue Date**) is set to 17 October 2024. The Bonds will be issued on a continuous basis (in tranches), with the expected period of issuance of the Bonds (i.e. their crediting to the relevant property accounts) ending within the earlier of one month after the end of the underwriting period of the Bonds or one month after the maximum amount of nominal value of the Bonds has been subscribed for. The Bonds will be issued under the laws of the Slovak Republic, in particular the Bonds Act and the Securities Act.

### **4. BONDHOLDERS**

- 4.1 The Bondholders will be the persons registered as holders of the Bonds in the Relevant Records (the **Bondholders**; this term shall also include a single **Bondholder**). If some of the Bonds are registered in a custody account kept by the Central Depository, the Issuer reserves the right to rely on the authority of each person registering a Bondholder for the Bonds registered in the custody account to fully represent (directly or indirectly) the Bondholder and perform vis-à-vis the Issuer and to the account of the Bondholder all legal acts (either in the Bondholder's name or in its own name) associated with the Bonds as if this person were their holder.
- 4.2 Unless the laws or a decision of the court delivered to the Issuer provides otherwise, the Issuer and the Administrator will deem every Bondholder the authorised owner in all respects and make the payments to that Bondholder in accordance with these Terms and Conditions.
- 4.3 Any persons who are intended to be Bondholders and who, for any reason, will not be registered in the Central Depository records or a Central Depository member's records shall inform the Issuer of this fact and of the title of acquisition of the Bonds without undue delay, by means of a notification delivered to the Specified Office.

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4.4 **Relevant Records** means the records of the Bondholders in respect of the Bonds maintained by the Central Depository or a member of the Central Depository or the person registering the Bondholder whose Bonds are registered in the custody account kept for that person by the Central Depository.

**5. TRANSFERABILITY OF THE BONDS**

5.1 Transferability of the Bonds is not restricted. However, unless it is inconsistent with law, transfers of the Bonds in the Central Depository may be suspended in accordance with article 18.3 of the Terms and Conditions from the day immediately following the Record Date until the applicable Payment Date.

5.2 The Bonds shall be transferred upon the registration of the transfer in the Relevant Records.

**6. RIGHTS IN RELATION TO THE BONDS**

6.1 A Bondholder is in particular entitled to redemption of the Nominal Value, payment of the relevant interest income, to participate and decide on the Meeting and the rights arising out of the Security, in each case in accordance with these Terms and Conditions, and other rights provide for by these Terms and Conditions.

6.2 The rights in relation to the Bonds shall not be limited, with the exception of (i) any limitations arising from legal regulations that relate to the rights of creditors in general, in particular according to the relevant provisions of Act No. 7/2005 Coll., on Bankruptcy and Restructuring, as amended (the **Bankruptcy Act**) and (ii) the rights that are subject to the approval of the Meeting and the rights that are exercised exclusively by the Security Agent, in each case in accordance with these Terms and Conditions.

6.3 There are no rights of pre-emption or exchange attached to the Bonds.

**7. JOINT REPRESENTATIVE OF THE BONDHOLDERS (SECURITY AGENT)**

7.1 J&T BANKA, a.s., with its registered office at Sokolovská 700/113a, Karlín, 186 00 Prague 8, Czech Republic, Identification No.: 471 15 378, registered in the Commercial Register of the Municipal Court in Prague, section: B, insert No.: 1731 (**J&T BANKA**), acting through its branch, J&T BANKA, a.s., pobočka zahraničnej banky, with its registered office at Dvořákovo nábřeží 8, 811 02 Bratislava, Slovak Republic, Identification No.: 35 964 693, registered in the Commercial Register of the Municipal Court Bratislava III, section: Po, insert No.: 1320/B, has been appointed as joint representative of the Bondholders (the **Security Agent**) in accordance with the provision of Section 5d of the Bonds Act. The Security Agent is also the joint and several creditor with each Bondholder in respect of the Issuer's financial obligation arising from the Bonds vis-à-vis that Bondholder and the person authorised to act as security agent in respect of the Bonds.

7.2 At the same time, the Security Agent shall be:

- (a) a joint and several creditor with each Bondholder in respect of all the Issuer's monetary obligations under the Bonds vis-à-vis that Bondholder; and
- (b) the entity appointed as the security agent in respect of the Bonds in accordance with Section 20b(4) of the Bonds Act.

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- 7.3 The Security Agent shall be, in the manner and to the extent expressly defined in these Terms and Conditions or in a decision of the Meeting, the joint representative of the Bondholders for:
- (a) the securing of the Bondholders' receivables owed to them by the Issuer arising from the Bonds through the Security in accordance with article 10 of the Terms and Conditions;
  - (b) the exercise of the rights in relation to the Security in accordance with article 10 of the Terms and Conditions; and
  - (c) the collecting of payments for the benefit of the Bondholders in connection with the enforcement of the Security.
- 7.4 For the avoidance of doubt, the role of the Security Agent as the joint representative of the Bondholders shall be limited to the above matters. In relation to other matters referred to in Section 5d(2) of the Bonds Act, no joint representative has been appointed.
- 7.5 To the extent to which the Security Agent exercises the rights of the Bondholders in relation to the Bonds and the Security, the Bondholders may not exercise these rights separately. This shall be without prejudice to the voting rights of Bondholders.

## 8. STATUS OF THE ISSUER'S OBLIGATIONS

- 8.1 The obligations under the Bonds will constitute direct, unconditional, unsubordinated and (once the Security has been created and to the extent of the Security under the Terms and Conditions) secured liabilities of the Issuer ranking *pari passu* among themselves and as to the order of their satisfaction at least *pari passu* to all other current and future direct, unconditional, unsubordinated and similarly secured liabilities of the Issuer, except for those obligations of the Issuer so identified by the mandatory provisions of law. The Issuer undertakes to treat all the Bondholders equally.
- 8.2 Notwithstanding the above, under the Bankruptcy Act, any obligation of the Issuer whose creditor is or at any time during its existence was a person who is or was an affiliate of the Issuer pursuant to Section 9 of the Bankruptcy Act (the **affiliated obligation**) (a) will be in bankruptcy of the Issuer conducted in the Slovak Republic (i) automatically by law subordinated to all other unsubordinated obligations of the Issuer and this affiliated obligation will not be satisfied before the satisfaction of all other unsubordinated obligations of the Issuer against the creditors who filed their claims within the bankruptcy of the Issuer and (ii) the creditor of the affiliated obligation will have no benefit of the Security; and (b) in restructuring of the Issuer the affiliated obligation may not be satisfied by equal or better manner than any other unsubordinated obligation of the Issuer against the creditors who filed their claims within the restructuring of the Issuer. This shall not apply to the claims of a creditor who is not affiliated with the bankrupt and at the time of acquisition of the affiliated claim did not know and could not have known, despite using its professional care, that what it was acquiring was the affiliated claim. It is assumed that the creditor of a claim arising out of the Bond acquired by a trade on a regulated market, multilateral trading facility or a similar foreign organised market was not aware of the affiliation of the claim.

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## 9. REPRESENTATIONS AND UNDERTAKINGS OF THE ISSUER

The Issuer represents to owe the Nominal Value of the Bonds and the relevant interest income to the Bondholders and, jointly and severally with each Bondholder, also to the Security Agent, and undertakes to repay them the Nominal Value and pay the relevant interest income in accordance with these Terms and Conditions.

## 10. SECURITY FOR THE BONDS

10.1 The Issuer shall ensure that the Issuer's obligations from the Bonds are secured by the Security (as defined below) created under the terms and conditions set out in these Terms and Conditions for the benefit of the Security Agent, on the basis on the following pledge agreements or other security agreements entered into between the Security Agent as pledgor or other security beneficiary and the relevant security provider (the **Pledgor**):

- (a) the initial securities and account pledge agreement for the benefit of the Security Agent together with the control agreement for up to 10% of the book-entered shares of Allwyn AG, established under the laws of Switzerland, with its registered office at Mühlenplatz 9, 6004 Luzern, Switzerland, Identification No.: CHE-366.705.452, owned by the Parent (the **Initial Security Agreement**);
- (b) if necessary, by one or more additional securities and account pledge agreement together with the control agreement for the benefit of the Security Agent over the shares of Allwyn to be entered into between the Security Agent and the Pledgor (the **Additional Security Agreements** and each separately as an **Additional Security Agreement**, and the Initial Security Agreement together with the Additional Security Agreements the **Security Agreements** and each separately as a **Security Agreement**);  
a
- (c) a pledge under Slovak law over receivables under the framework intra-group facility agreement entered into between the Issuer as lender and KKCG AG as borrower on the basis of which the relevant proceeds from the Bond Issue will be provided to KKCG AG (the **Slovak Receivables Pledge Agreement** and with the Initial Security Agreement, the **Initial Security Documents**, and the Initial Security Documents together with the Additional Security Documents (as defined in article 28), as they may be replaced from time to time as a result of the Permitted Security Replacement, the **Security Documents**, and the pledges or other security created under the Initial Security Documents jointly the **Initial Security**, and the Initial Security jointly with the Additional Security (as defined in article 28) the **Security**.

The Issuer shall enter into the Security Documents or, as the case may be, ensure that the relevant Pledgor enter into the Security Documents and ensure that the Security is perfected and is created within the deadlines set out in article 14.1 of these Terms and Conditions.

Each Additional Security Agreement entered into in connection with the Bonds Issue shall create, if necessary, Security over such number of shares of Allwyn as to ensure compliance with the Issuer's financial obligation set forth in article 11.1 of these Terms and Conditions.

The Issuer shall properly maintain, and shall cause each relevant Pledgor to properly maintain, the Security in full in accordance with the applicable Security Documents and the Security

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Agent Agreement until all of the Issuer's obligations under the Bonds or other secured obligations under the Security Documents have been paid in full.

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 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 article 10.1.

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.

Once entered into, a copy of each Security Agreement will be available for inspection to the Bondholders after prior notification during regular business hours at the Specified Office.

## 10.2 Method of Securing the Bonds

The Issuer has decided to secure the repayment of the Bonds by Security through the Security Agent who is obliged to pay out the proceeds from the enforcement of the Security to the Administrator for the purposes of paying out those proceeds to the Bondholders to the extent of the Issuer's outstanding financial obligation under the Bonds. The Security is created for the benefit of the Security Agent as the joint and several creditor of all and any receivables under the Bonds and, at the same time, for the benefit of the Bondholders where under Section 20b(4) of the Bonds Act the Security Agent shall enforce the pledge in its own name and to the account of the Bondholders.

By acquiring a Bond (i.e., in particular by subscribing to, buying or otherwise acquiring the Bond) in any manner, each Bondholder expresses its consent to the fact:

- (a) that the Security Agent is in the position of a joint and several creditor in relation to the monetary obligations under the Bonds towards it, and thus that the Security Agent has its own and independent right to request that the Issuer fulfil the monetary obligations under the Bonds as they fall due (the **Joint and Several Debt**);
- (b) that the Security Agent exercise all rights, powers and authorities arising to it from these Terms and Conditions as the joint representative of the Bondholders in respect of the Security, the Bonds Act, the Security Documents and the contract agreement with the Security Agent entered into between (as the case may be, among other persons) by the Issuer and the Security Agent in connection with the Bonds (the **Security Agent Agreement**), including in connection with the Release of the Security pursuant to article 10.9 of the Terms and Conditions;
- (c) to the entering into and the binding nature of the Security Agent Agreement and each Security Document; and
- (d) that only the Security Agent is, and under no circumstance any individual Bondholders are, entitled to enforce the Security.



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- 10.3 The relationship between the Issuer, each Pledgor and the Security Agent in relation to any potential enforcement of the Security for the benefit of the Bondholders and in relation to certain other administrative acts related to the Security is governed, among others, by the Security Agent Agreement. A copy of the Security Agent Agreement will be available for inspection to the Bondholders after prior notification during regular business hours at the Specified Office.
- 10.4 The secured liabilities are defined in each Security Document and, taking into account relevant market and legal practices and (to the extent permitted by law), they include, inter alia, any and all current and future, conditional and unconditional, receivables of the Security Agent (as joint and several creditor and/or joint representative with each individual Bondholder in relation to any monetary obligation of the Issuer under the Bonds vis-à-vis such Bondholder) against the Issuer and each Pledgor, together with interest (if applicable), default interest, costs, expenses and any other appurtenances or their part that have arisen or may arise under or in connection with the Bonds and/or any Security Document (the **Secured Liabilities**).

10.5 **Enforcement of the Issuer's Obligations Through the Security Agent**

The Security Agent, as joint and several creditor and/or joint representative with each individual Bondholder (in relation to any monetary obligation of the Issuer under the Bonds vis-à-vis such Bondholder), shall be entitled to request that the Issuer pay to it any sum which the Issuer is obliged to pay to any Bondholder in relation to any monetary obligations of the Issuer under the Bonds, including in relation to their enforcement through the enforcement of the Security (which is created only for the benefit of the Security Agent). As a result, all Bondholders are obliged to exercise their rights under the Bonds that could in any way threaten the existence or quality of the Security (including the assertion and enforcement of any monetary receivable against the Issuer under the Bonds through the enforcement of the Security) only in cooperation with and through the Security Agent.

10.6 **Commencement of Enforcement of the Security**

If:

- (a) the Security Agent issues the Security Agent's Early Redemption Decision in accordance with these Terms and Conditions, and all amounts payable by the Issuer to the Bondholders are not properly paid on the Early Redemption Date at the option of the Security Agent; or
- (b) if any Event of Default occurs and the Meeting subsequently decides to exercise the right to demand an early redemption of the Nominal Value of the Bonds or to enforce the Issuer's obligations after the maturity of the Nominal Value of the Bonds and to enforce the Security in accordance with these Terms and Conditions,

then the Security Agent shall enforce the Security (i.e. implement the enforcement of the Security) in accordance with the manner set out in article 10.7 of the Terms and Conditions, in the manner and under the conditions set forth in the relevant Security Document and also in accordance with the relevant laws governing the Security.

For the avoidance of doubt, if the Security Agent has adopted the Security Agent's Decision on Early Redemption without a decision of the Meeting, the Security Agent may, if in its opinion necessary to protect the rights and interests of the Bondholders, decide to commence

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enforcement of the Security or take any action in this connection, including before the decision of the Meeting on the enforcement of the Issuer's overdue obligations and on the enforcement of the Security.

**10.7 Method of Enforcement of Security**

The Security created under any Security Document may be realised in any manner agreed in the relevant Security Document and/or legally possible at the time of commencement of enforcement of the relevant Security under the relevant laws.

**10.8 Use of the Proceeds of Enforcement of the Security**

- (a) The Security Agent shall, after deduction of purposefully incurred and documented costs of enforcement of the Security (including, for the avoidance of doubt, costs of publishing notifications made by the Security Agent, presentation materials, legal, tax or other professional advice, remuneration and costs of the auctioneer or other person who, in accordance with the relevant laws, carries out or participates in the enforcement of the Security, and other related services and other purposefully incurred costs associated with the enforcement of the Security) and the agreed remuneration of 2% of the proceeds of enforcement of the Security, transfer the proceeds of enforcement without undue delay to the Administrator's account in order to make payment to the Bondholders in accordance with these Terms and Conditions. By paying the amount under the previous sentence to the Administrator, the Security Agent shall have fulfilled its obligation vis-à-vis the Bondholders in relation to the amount thus paid, and the Bondholders will not be able to make any further claims against the Security Agent in relation to the amount thus paid.
- (b) In the course of the performance of its duties, the Security Agent will inform the Bondholders about the progress of enforcement of the Security and about the content of any material notification or document that it receives or issues in connection with the enforcement of the Security, in the manner specified in the relevant decision of the Meeting. If the proceeds from the enforcement of the Security are not sufficient to cover all monetary obligations under the Bonds, the individual Bondholders will be satisfied from the proceeds of enforcement of the Security proportionally, and the outstanding portion of the monetary obligations under the Bonds will be further enforceable against the Issuer in accordance with applicable law. After that distribution, the Security Agent will not be obliged pursuant to Section 515 of Act No. 40/1964 Coll., the Civil Code, as amended, to pay anything more to any Bondholder. Any potential surplus of the proceeds of enforcement of the Security will be returned to the Issuer or (provided that it is permitted under the applicable laws of the given state) to the person designated by the Issuer without undue delay.
- (c) Any funds received by the Security Agent in connection with the enforcement of the Security, including the proceeds from the Security (or, if applicable, realisation in bankruptcy or similar proceedings) shall be recorded by the Security Agent separately from its remaining assets and cannot be disposed of, with the exception of the payment under this clause of the Terms and Conditions. The Security Agent shall not pay any interest on these funds.

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## 10.9 Release of the Security

If the Issuer has no unpaid monetary obligation under the Bonds vis-à-vis any Bondholder and no such monetary obligation may arise in the future (and the Security Agent may request an opinion from the Administrator in this respect) and the remaining Secured Obligations have been satisfied, the Security Agent shall, upon written request of the Issuer, issue within ten (10) Business Days a waiver of the Security or a confirmation of release of the Security that shall be delivered without undue delay to the Issuer. The Security Agent will provide the Issuer, or the relevant Pledgor who will provide for the deletion of the Security, with all the necessary co-operation to delete the Security from the relevant register.

## 10.10 Responsibility of the Security Agent

- (a) When performing its role, the Security Agent shall act with due care and in accordance with the interests of the Bondholders of which it is or should be aware and shall be bound by the instructions of the Meeting. This shall not apply if those instructions are contrary to the generally binding legal regulations or are in conflict with the Terms and Conditions or require any action that is inconsistent with the common interests of all Bondholders.
- (b) The Security Agent shall only have those obligations to the Bondholders that are contained in these Terms and Conditions and the Security Agent Agreement. The obligations of the Security Agent do not include the obligations of a commission agent, mandatary or advisor vis-à-vis the Bondholders. The Security Agent expresses its consent to its rights and obligations set out in these Terms and Conditions by entering into the Security Agent Agreement, and the Bondholders will be able to enforce their rights against the Security Agent as specified in these Terms and Conditions in accordance with the relevant provisions on the agreements entered into for the benefit of third parties under the Civil Code and the applicable provisions of the Bonds Act.
- (c) The Security Agent shall not be liable vis-à-vis any Bondholder for any of its acts or omissions, unless the act or omission were caused by gross negligence or an intentional act of the Security Agent. If as a result of a breach of the obligations by the Security Agent, any damage is incurred by any Bondholder, the Bondholder agrees that the Security Agent (if it is liable for the damage under the preceding sentence) will be obliged to compensate this damage only up to the amount of actual damage.
- (d) The Security Agent shall not be obliged to monitor or investigate whether an Event of Default or any other breach by the Issuer in relation to the Bonds has occurred. The Security Agent is not aware of the occurrence of an Event of Default unless the relevant fact is notified to it in accordance with these Terms and Conditions. The Security Agent shall not be liable for any delay (or its consequences) in crediting an account with any amount required under these Terms and Conditions to be paid by the Security Agent if the Security Agent has taken all the necessary steps as soon as reasonably practicable to comply with the regulations or procedures of any recognised clearing or settlement system used by the Security Agent for that purpose.
- (e) The Security Agent shall promptly and in writing inform the Issuer and the Administrator about its becoming an affiliate of the Issuer under Section 9 of the Bankruptcy Act. For the avoidance of doubt, the presumption of being an affiliate under Section 9(4) of the Bankruptcy Act in connection with the register of public

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sector partners shall not be deemed a circumstance making the Security Agent an affiliate of the Issuer.

#### **10.11 Authorizations of the Security Agent**

- (a) If these Terms and Conditions, the Security Agent Agreement, the Security Agreement or a decision of the Meeting made in accordance with these Terms and Conditions do not explicitly require the Security Agent to proceed in a particular way, the Security Agent may exercise its rights and obligations in connection with the Security at its sole discretion.
- (b) The Security Agent may engage in any dealings with the Issuer or persons within the Issuer's group and may acquire and hold the Bonds for itself or for its clients and is entitled to a related remuneration or profit.
- (c) The Security Agent may refrain from any action if, in its reasonable opinion, it could constitute a breach of the applicable law.

#### **10.12 Resignation by the Security Agent**

- (a) The Security Agent may resign from its office by a written notice addressed to the Issuer and the Administrator for any reason (for the avoidance of doubt, including the reasons set out in the Security Agent Agreement) being effective 30 days after delivery of the notice. The Issuer may appoint another suitable person to perform the office of the Security Agent in connection with the Bonds that is authorised to discharge such office in accordance with all relevant legal orders (the **Qualified Person**). This replacement shall not be to the detriment of the Bondholders.
- (b) If the Issuer fails to appoint the successor Security Agent within 14 days of delivery of the notice above, the Security Agent itself may assign all of its rights and transfer all of its obligations under these Terms and Conditions, each Security Document and the Security Agent Agreement to another Qualified Person.
- (c) In any case, the resignation of the Security Agent and the appointment of the successor Security Agent will become effective only if the successor Security Agent notifies the Issuer and Administrator of its acceptance of the appointment and its opinion that the acts and steps necessary for the transition of all authorisations of the Security Agent under these Terms and Conditions, all Security Documents and the Security Agent Agreement to the successor Security Agent have been performed. Upon the submission of that notice, the successor Security Agent will become the Security Agent, but without any liability for any acts or omissions of the previous Security Agent. The Issuer shall notify the Bondholders of the replacement of the Security Agent without undue delay, in the manner pursuant to article 26 of the Terms and Conditions.

#### **10.13 Replacement of the Security Agent by the Issuer**

If the Security Agent (a) ceases to exist without a legal successor, or (b) will not be able to conduct its normal business activities (due to the withdrawal of the relevant business licenses, forced administration, bankruptcy or restructuring proceedings, etc.), or (c) becomes an affiliate of the Issuer pursuant to Section 9 of the Bankruptcy Act, the Issuer shall inform the Bondholders without undue delay about these circumstances and shall appoint another

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Qualified Person to act as Security Agent in relation to the Bonds. This replacement shall not be to the detriment of the Bondholders. For the avoidance of doubt, the presumption of being an affiliate under Section 9(4) of the Bankruptcy Act in connection with the register of public sector partners shall not be deemed a circumstance making the Security Agent an affiliate of the Issuer.

#### 10.14 Enforcing Claims in the Insolvency Proceedings

- (a) In the bankruptcy or restructuring or other similar proceedings involving the Issuer or Pledgor, the Security Agent is not obliged to file any claim of the Bondholder satisfied in the bankruptcy of the Issuer or Pledgor as subordinated claim under Section 95(3) of the Bankruptcy Act or any part of its claim as joint and several creditor corresponding to the subordinated claim of any Bondholder. This shall not apply to the claims of a creditor who is not affiliated with the bankrupt and at the time of acquisition of the affiliated claim did not know and could not have known, despite using its professional care, that what it was acquiring was the affiliated claim. According to Section 95(4) of the Bankruptcy Act, it is assumed that the creditor of a claim arising out of the Bonds acquired by a trade on a regulated market, multilateral trading facility or a similar foreign organised market was not aware of the affiliation of the claim. For the avoidance of doubt, the Security Agent shall also, if necessary, register in the register of public sector partners and notify the administrator of this fact so that it itself is not deemed to be a person affiliated with the Issuer pursuant to Section 9(4) of the Bankruptcy Act.
- (b) Each Bondholder must provide the Security Agent without undue delay with the required information so that the Security Agent may determine whether the claim of the Bondholder qualifies as subordinated claim. If in doubt, the Security Agent may assume that the claim of the Bondholder qualifies as subordinated claim.
- (c) If in the bankruptcy, restructuring or similar foreign insolvency proceedings with respect to the Issuer or Pledgor, the Security Agent receives any amount intended to be distributed to the Issuer's creditors in relation to the Bonds, it may retain an amount corresponding to purposefully incurred and proven costs and the agreed remuneration of 2% of the proceeds of enforcement of the Security. The Security Agent shall distribute the remaining amount on a *pro rata* basis among the Bondholders other than those who are creditors of subordinated claims.

#### 11. LOAN TO VALUE RATIO COVENANT

- 11.1 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 is lower than 50%.
- 11.2 Promptly after the Issuer has learned that the Loan to Value Ratio under article 11.1 has been exceeded, the Issuer must notify such fact to the Administrator and Security Agent and the Bondholders in the manner set out in article 26 of the Terms and Conditions.
- 11.3 Within 30 days after the Issuer has duly notified this fact pursuant to the previous article, 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 the creation of the Additional Security under an Additional Security Agreements (the **Rectification**).

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- 11.4 The Issuer is obliged, without undue delay and no later than five Business Days of the Rectification, to prove the Rectification of the Loan to Value Ratio to the Administrator 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 article 26 of the Terms and Conditions to the effect that the Loan to Value Ratio, after the Rectification, complies with the level set out in article 11.1 (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 shall not be in breach of this article 11 if the Rectification is made within the time limits set out in this article.
- 11.5 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; for the purposes of assessing the achievement of that limit, Allwyn shares that have been pledged in connection with any Czech Bonds Issue will also be taken into account.

**12. LEVERAGE COVENANT**

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

**13. COVENANTS TESTING**

The Issuer undertakes and will ensure that the testing of the covenants under articles 11 and 12 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 article 15 below) and the results of such testing will be reported in accordance with the deadlines stated in article 15 below.

**14. OTHER OBLIGATIONS OF THE ISSUER**

So long as any of its liabilities arising under the Bonds remain outstanding, the Issuer will comply with the following obligations and will ensure that each other relevant person complies with the obligations expressed as obligations of that person:

**14.1 Obligation to Establish the Security and the Additional Security**

The Issuer undertakes and will ensure that:

- (a) the Initial Security Documents will be properly 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 properly 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 established in such a form and to such an extent that compliance with article 11.1 above is ensured.



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## 14.2 **Negative Pledge**

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

- (a) shall not create or permit to subsist of any Security Interest upon the whole or any part of its present or future undertaking, assets or revenues;
- (b) shall not create or allow the creation of 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 allow the creation of 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, the Meeting granted its consent to that transaction and the Issuer's liabilities under the Bonds are equally or rateably secured therewith or a similar such arrangement (whether or not comprising a Security Interest).

The restrictions set out in this article 14.2 shall not apply to any (existing or future) Security Interests 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.

## 14.3 **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 new Indebtedness.

The restrictions in this article 14.3 shall not apply to any:

- (a) Indebtedness arising under the Bonds;
- (b) Indebtedness that is created by operation of law or under a judicial, arbitral or administrative decision against the Issuer, if in the judicial, arbitral or administrative proceedings leading to the issuance of the judicial, arbitral or administrative decision the Issuer acted actively and protected its interests in good faith;
- (c) 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;

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- (d) Indebtedness of the Issuer in the form of a shareholder loan that is subordinated in accordance with article 14.4; and
- (e) 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 fluctuation risk with respect to any Indebtedness permitted to be incurred under the Bonds, exchange rate risk or commodity pricing risk.

#### 14.4 **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 (the **Shareholder Loans**) will be subordinated to the liabilities arising out of the Bonds.

#### 14.5 **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 article 14.5 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 Slovak Receivables Pledge Agreement and constitute the Pledged Intragroup Receivables.

#### 14.6 **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 EUR 40,000; 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 article 11.1.

Related Disposals, especially if they are carried out in a single transaction, are counted as one Disposal for the purposes of this article 14.6.

The limitations in this article 14.6 do not apply: (i) to any loans provided to KKCG AG under the framework loan agreement in compliance with article 14.5; (ii) the Permitted Reorganisation; or (iii) the Permitted Transfer of Seat.

#### 14.7 **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 article 17.3, (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 Allwyn Administrator within 10 Business Days of the Allwyn Shares Disposal and publish the notification in the manner set out in article 26 of the 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. article 15 will apply to the manner of processing and issuing a confirmation that this obligation has not been breached accordingly.

The limitations in this article 14.7 do not apply to: (i) the Permitted Reorganisation; (ii) the Permitted Transfer of Seat; or (iii) Permitted Security Replacement.

#### 14.8 **Limitation on Distributions**

The Issuer undertakes and shall ensure that until the full repayment of its obligations under the Bonds, it will not make any direct or indirect payment of any subordinated debt (including interest) to any direct or indirect shareholder (the **Shareholders**) or any other subsidiaries of the Ultimate Controlling Person, nor shall propose a distribution resolution, nor shall make a distribution or pay any dividend, other profit share, capital or equity share, other payment relating to its capital, interest on unpaid dividends, other payment or similar amount (such as an advance on a dividend or interest from unpaid dividends), nor repay a debt (the **Distribution**) for the benefit of the Shareholders or any other subsidiaries of the Ultimate Controlling Person.

The limitations in this article 14.8 do not apply to any Distributions that are carried out in the form of a loan provided under the framework loan agreement to KKCG AG in accordance with article 14.5.

### 15. **INFORMATION OBLIGATIONS**

The Issuer must inform the Administrator, the Security Agent 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 article 26 of these Terms and Conditions and within the deadlines set out below the following documents and information in English or Slovak:

- (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

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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 article 11 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 article 12 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 (where for this first publication, the deadline on or before 31 October 2024 shall apply);
  - (ii) the Issuer's half-year unaudited financial statements prepared in accordance with SAS, starting with the half-year unaudited financial statements for the half-year ending on 30 June 2025; and
  - (iii) confirmation of compliance with the covenant (tested as of 30 June of the relevant year) set out in article 12 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.

The Issuer will also publish, according to article 26 of the Terms and Conditions, all information that it is obliged to publish according to the applicable legal regulations, at the time and to the extent required by those legal regulations. The above shall also apply to the publication of regulated information, as long as the Bonds are admitted to trading on a regulated market. The annual financial statements audited by the Chosen Auditor and an interim financial statements for each financial half-year shall be published by the Issuer within the deadlines according to this article 15 of the Terms and Conditions, unless the legislation requires earlier publication.

## **16. INTEREST INCOME ON THE BONDS**

### **16.1 Method of determination; Interest Period**

- (a) The Bonds shall bear a fixed interest rate of 5.9% p.a. (the **Interest Rate**). The Interest Income will be paid half-annually in arrears, always as of 17 April and 17 October and

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of each year (each such day, the **Interest Payment Date**), at all times in accordance with article 18 below. The first Interest Payment Day will be 17 April 2025.

- (b) The interest income will accrue from the first day of each Interest Period until the last day still included in the Interest Period.
- (c) **Interest Period** means the six-month period beginning on the Issue Date (inclusive) and ending on the first Interest Payment Date (exclusive) and then every immediately following six-month period beginning on the Interest Payment Date (inclusive) and ending on the next following Interest Payment Date (exclusive), until the maturity of the Bonds. For the purposes of the beginning of any Interest Period, the Interest Payment Date shall not be changed in accordance with the Business Day convention.

## 16.2 End of interest payment

The Bonds will cease to bear interest on the Maturity Date of the Bonds (the **Maturity Date of the Bonds** means Final Maturity Date, Early Redemption Date, Early Redemption Date at the Option of the Issuer, Partial Early Redemption Date at the Option of the Issuer, Early Redemption Date at the Option of the Security Agent and Early Redemption Date at the Option of the Bondholder), provided that the Nominal Value of the Bonds has been redeemed. If the Bonds are not fully redeemed on the Bond Maturity Date or, in the case of the Early Redemption Date at the Option of the Issuer, only some Bonds have been fully redeemed, the Bonds (or, as the case may be, the remaining Bonds) will continue to bear interest at the last determined Interest Rate, as long as all amounts due in connection with the Bonds will not be paid to the Bondholders.

## 16.3 Determination of the interest income

- (a) The amount of interest income attributable to one Bond for each period of less than one current year shall be determined as the Nominal Value of the Bond multiplied by the Interest Rate (expressed as a decimal number) multiplied by the relevant day fraction calculated in accordance with the BCK Standard 30E/360 Convention set out in article 2.6 of the Terms and Conditions. The total amount of interest income calculated according to this clause will be mathematically rounded to two decimal places.
- (b) The amount of interest income of the Bond determined in this way will be notified by the Calculation Agent without undue delay to the Bondholders in accordance with article 26 below.

## 17. REDEMPTION OF THE BONDS AND THEIR REPURCHASE

### 17.1 Final Maturity

- (a) Unless there is an early redemption of the Bonds in accordance with other relevant provisions of these Terms and Conditions, the total nominal amount of the Bonds will be redeemable in single payment on 17 October 2029 (the **Final Maturity Date**).
- (b) A Bondholder may not request early redemption of the Bonds before the Final Maturity Date of the Bonds, with the exception of the articles 19.2(c) and 19.4 of the Terms and Conditions.

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17.2 **Purchase of the Bonds**

- (a) The Issuer may purchase any quantity of the Bonds at any time on the market or otherwise for any price.
- (b) The Bonds purchased by the Issuer shall not cease to exist. It shall be up to the Issuer to either keep them as its assets or resell them or by notifying the Administrator make them early redeemable as of the date specified in that notice. On that day, the rights and obligations under the Bonds shall readily cease to exist due to their amalgamation in a single person.

17.3 **Early Redemption at the Option of the Issuer**

- (a) The Issuer may determine, by notice to the Bondholders, that all Bonds or a specified part thereof (defined as a percentage of the Nominal Value equal to all Bondholders) become early redeemable as of 17 January, 17 April, 17 July and 17 October of each year. The date determined in this way shall further be referred to as the **Partial Early Redemption Date at the Option of the Issuer** or the **Early Redemption Date at the Option of the Issuer**, as applicable. The notice must be made no later than 40 days before the relevant Partial Early Redemption Date at the Option of the Issuer and/or before the relevant Early Redemption Date at the Option of the Issuer. The Partial Early Redemption Date at the Option of the Issuer must also be the Interest Payment Date.
- (b) Upon an early partial redemption, the term Nominal Value in these Terms and Conditions shall mean the unpaid nominal value of each Bond following such partial redemption. For the purposes of trading in the Bonds on a regulated market, the new Nominal Value will apply from the first day following relevant Record Date for Nominal Value Redemption. Determination of the Partial Early Redemption Date at the Option of the Issuer and/or Early Redemption Date at the Option of the Issuer shall be irrevocable and subject to the Business Day convention.
- (c) On the Partial Early Redemption Date at the Option of the Issuer and/or the Early Redemption Date at the Option of the Issuer, the Issuer shall repay the Bondholder the Nominal Value of each Bond (or part of it set out in the Issuer's notice) together with the currently accrued regular interest income and also the extraordinary yield of the Bond.
- (d) The value of the extraordinary yield on the Bond belonging to one Bond will be determined according to the following table:

<b>Early Redemption Date</b>	<b>Extraordinary yield</b>
17 January 2025	11.49%
17 April 2025	10.16%
17 July 2025	8.81%
17 October 2025	7.45%
17 January 2026	6.06%
17 April 2026	4.65%



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17 July 2026	3.22%
17 October 2026	1.77%
17 January 2027	1.62%
17 April 2027	1.48%
17 July 2027	1.33%
17 October 2027	1.18%
17 January 2028	1.03%
17 April 2028	0.89%
17 July 2028	0.74%
17 October 2028	0.59%
17 January 2029	0.44%
17 April 2029	0.00%
17 July 2029	0.00%
17 October 2029	0.00%

17.4 **The Right of Bondholders to Demand Buyback of the Bonds Upon a Change of Control**

- (a) If a Change of Control occurs, each Bondholder will be entitled, on the basis of a request addressed to the Issuer and delivered to the Administrator within 30 days of the date on which the Bondholder learned about the Change of Control or when the Bondholder could have learned about the Change of Control (whichever occurs first), to request the Issuer to buy back all of the Bonds owned by the Bondholder (the **Buyback Request**) and the Issuer shall purchase those Bonds within 30 days of the proper delivery of the Buyback Request according to the above (the date of such buyback, the **Bond Buyback Date at the option of the Bondholder**).
- (b) The Buyback Request according to the paragraph above will take the form of a signed written notice with an officially certified authenticity of the signature(s) or a verified signature by an authorised employee of the Administrator or the signatures of the Bondholder or persons acting on the Bondholder's behalf. In the case of legal persons, the request shall be supplemented by the original or a copy of a valid extract from the commercial register or other similar register in which the Bondholder is registered. In the request, the Bondholder shall state the number of Bonds (i.e. all Bonds held by the Bondholder) requested by it to be bought back, and sufficient information about the Bondholder's account enabling the Issuer to pay the Bondholder the buyback price. Together with the request, the Bondholder shall submit an extract from the Relevant Records evidencing that it is a Bondholder holding the number claimed by it as of the date of the request.
- (c) On the Bond Buyback Date at the option of the Bondholder, the Issuer shall pay the Bondholder the buyback price of 101% of the Nominal Value of each Bond owned by the Bondholder together with the currently accrued regular interest income (the amount, the **Buyback Amount**).

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**17.5 Presumption of Redemption**

If the Issuer pays the Administrator the Nominal Value of each Bond and the amount of the relevant interest income (if applicable) payable under these Terms and Conditions, all obligations of the Issuer under the Bonds to pay these amounts shall, for the purposes of these Terms and Conditions, be deemed to have been fully satisfied as of the date on which the relevant amounts were credited to the relevant account of the Administrator.

**18. METHOD, DATES AND PLACE OF REDEMPTION**

**18.1 Currency**

The Issuer undertakes to pay the interest on the Bonds and redeem the Nominal Value of each Bond in euro. The interest on the Bonds will be paid and the Nominal Value of each Bond will be paid to the Bondholders under these Terms and Conditions and in accordance with tax and other applicable laws of the Slovak Republic as valid and effective at the time of making of the payment.

For the avoidance of doubt, the Issuer is not obliged to pay the Bondholders any compensation for any taxes or withholdings that were performed in accordance with law.

**18.2 Payment Date**

- (a) Payments of interest on the Bonds and repayment of the Nominal Value of each Bond will be carried out by the Issuer through the Administrator as of the days specified in these Terms and Conditions, i.e. on each Interest Payment Date, Final Maturity Date, Partial Early Redemption Date at the Option of the Issuer, Early Redemption Date at the Option of the Issuer, Early Redemption Date at the Option of the Security Agent, Early Redemption Date at the Option of the Bondholder and the Early Redemption Date; each of these days also the **Payment Date**).
- (b) If the Payment Date falls on a day that is not a Business Day, that Payment Date will be such a Business Day that is the next following Business Day thereafter, and the Issuer will not be obliged to pay interest or any other additional amounts for any delay due to the Business Day convention determined in this manner.
- (c) For the purposes of the Terms and Conditions, Business Day means any calendar day (other than Saturday and Sunday) on which banks in the Slovak Republic and the Central Depository are normally open to the public and when interbank transactions are settled in EUR (the **Business Day**).

**18.3 Determination of the Right to Receive Payments under the Bonds**

- (a) The income on the Bonds and the Nominal Value of Bonds will be paid to those persons who are according to the Relevant Records demonstrably Bondholders at the end of the business hours of the Central Depository on the relevant Record Date (the **Authorised Person**).
- (b) **Record Date** means:
  - (i) for the purpose of payment due to the decision of the Meeting as a result of the occurrence of the Early Redemption Date, the Meeting Attendance Record Date as defined in paragraph 25.4(a) of the Terms and Conditions; and

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- (ii) for the purposes of any other redemption of the Nominal Value of the Bonds and payment of interest, the date 30 calendar days before the relevant Payment Date.
- (c) For the purposes of determination of the Authorised Person, neither the Issuer nor the Administrator will take into consideration any transfers of the Bonds after the Record Date until the relevant Payment Date. Unless in breach of law, transfers of all Bonds may be suspended from the day immediately following the Record Date until the relevant Payment Date; if requested to do so by the Administrator, each Bondholder must provide its cooperation necessary for this suspension of transfers.

#### 18.4 Making of Payments

- (a) The administrator will pay the income on the Bonds and the Nominal Value of the Bonds to the Authorised Persons by means of wire transfer to their accounts kept with a bank or in a branch of a foreign bank in a Member State of the European Union according to an instruction communicated by the relevant Authorised Person to the Administrator, in a manner credible to the Administrator, no later than five Business Days before the Payment Date.
- (b) The instruction must be in the form of a signed written statement (with the signature/signatures authenticated or the signature verified by the authorised member of the Administrator) containing information about the Authorised Person's account sufficient for the Administrator to make the payment. In the case of legal persons, the instruction shall be supplemented by the original or a officially certified copy of a valid extract from the Commercial Register or other similar register in which the Authorised Person is registered, the correctness of the data in this extract from the commercial register or similar register verified by an employee of the Administrator as of the Payment Date (such instruction together with the extract from the Commercial Register or other similar register (if relevant) and any other potential relevant schedules, an **Instruction**).
- (c) The Instruction must be in the form and substance satisfying the specific requirements of the Administrator; the Administrator may demand sufficiently satisfactory evidence of the authority of the person who signed the Instruction to sign the Instruction on behalf of the Authorised Person. This evidence must be delivered to the Administrator also no later than five Business Days before the Payment Date. In this regard, the Administrator will in particular be entitled to request:
  - (i) submission of a power of attorney containing officially certified signature of the principal if a representative acts on behalf of the Authorised Person; and/or
  - (ii) an additional confirmation of the Instruction from the Authorised Person.
- (d) Any Authorised Person who in accordance with any relevant international double taxation treaty (to which the Slovak Republic is a party) claims preferential tax treatment must deliver to the Administrator, together with the Instruction as its integral part, a current proof of its tax domicile (usable and current for that income payment) and other documents that the Administrator and the relevant taxation authorities may require. Notwithstanding their authority, neither the Administrator nor the Issuer will verify the correctness and completeness of these Instructions and will not be liable for any damage caused by the delay of the Authorised Person in delivering the Instruction

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or by the incorrectness or other defect of that Instruction. If the above-mentioned documents, and in particular the proof of tax domicile, are not delivered to the Administrator within the specified period, the Administrator will proceed as if the documents had not been submitted to it. The Authorised Person may deliver these documents evidencing the entitlement to tax advantage subsequently and request the Issuer, through the Administrator, for a refund of the withholding tax. In such a case, the Issuer may demand that the Authorised Person pay all direct and indirect costs incurred for the tax refund. In the case of originals of foreign official documents or official certification abroad, the Administrator may request the relevant legalisation or further verification or an Apostille under the Hague Apostille Convention (as appropriate).

- (e) The Administrator may also require that all documents prepared in a foreign language be submitted with their official translation into the Slovak language. If the Instruction satisfies all the requirements under this clause and is notified to the Administrator in accordance with this clause and in all other respects complies with the requirements of this clause, it shall be considered to be proper. The obligation to pay the Nominal Value shall be deemed to have been satisfied properly and on time if the relevant amount has been transferred to the Authorised Person in accordance with a proper Instruction under this article and if the amount has been credited to the bank account of this Authorised Person on or before the relevant maturity date of the amount. Neither the Issuer nor the Administrator shall be liable for any delay in the payment of any amount due because:
  - (i) the Authorised Person has not delivered a proper Instruction or other documents or information required of it in this article in a timely manner;
  - (ii) the Instruction, documents or information were incomplete, incorrect or false; or
  - (iii) the delay was caused by circumstances beyond the control of the Issuer or the Administrator.
- (f) In those cases, the Authorised Person shall not be entitled to any additional payment, interest or other income for the delay of the relevant payment so caused.
- (g) If the Administrator is unable to pay any amount within a reasonable time after the Payment Date due from the Notes due to delays on the part of the Authorised Person or for other reasons on the part of the Authorised Person (e.g. in the case of his/her death), the Administrator may, without prejudice to the authorisations pursuant to Section 568 of the Civil Code and at its own discretion or at the instruction of the Issuer, deposit the due amount at the expense of the Authorised Person (or the Authorised Person's legal successor) to a notarial custody or keep the due amount itself. By depositing the due amount into custody, the Issuer's and the Administrator's obligation in connection with the payment of the amount shall be deemed to have been discharged and the Authorised Person (or the Authorised Person's legal successor) shall in such cases not be entitled to any additional payment, interest or other income in connection with the safekeeping and subsequent payment of the amount.

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**18.5 Change in the Method and Place of Making Payments**

The Issuer together with the Administrator shall be entitled to decide on a change in the place of payments (the payment venue), while such a change may not cause harm to the Bondholders. Any such change will become effective upon the expiration of 15 days following the date of such notice unless a later effective date is specified in the notice.

**19. EARLY REDEMPTION**

**19.1 Events of Default**

Each of the following cases constitutes an **Event of Default**:

**(a) Non-payment**

any payment payable to the Bondholders in respect of the Bonds is not made on the due date thereof and remains unpaid for more than five Business Days from the date on which the Issuer is notified of such default by any Bondholder in writing by a letter addressed to the Issuer and delivered to the Administrator at the address of the Specified Office.

**(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 or Security Agent Agreement and such default remains unremedied for more than 20 days from the date on which the Issuer has been notified of such default by any Bondholder in writing by a letter addressed to the Issuer and delivered to the Administrator at the address of the Specified Office; or

**(c) Cross-default**

(i) Any debt of the Issuer (other than any Subordinated Debt) or a Major Company, which in aggregate reaches at least EUR 40,000,000 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 the Major Company or (provided that there has been no event of default, as interpreted in the relevant debt document and however indicated) of the relevant borrower 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.

(ii) Any debt of KKCG Financing a.s. arising from any Czech Bonds Issue that in aggregate amounts to at least EUR 40,000,000 or the equivalent of this amount in any other currency (i) becomes due early before the original maturity date other than at the option of KKCG Financing a.s. 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.

The Event of Default (cross-default) pursuant to paragraphs (i) and (ii) will not occur if the Issuer or a Major Company acting reasonably, after careful consideration and in

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good faith, duly invokes, in the manner prescribed by law, the absence of an obligation to pay the amount or object to the reason for the payment and makes the payment within the time limit imposed by a final decision of the competent court or other authority which ruled that the Issuer or the Major Company is obliged to fulfil that obligation.

(d) **Insolvency or Bankruptcy Petition**

- (i) The Issuer or a Major Company submits a bankruptcy petition or a petition for a similar proceedings (the **Insolvency Petition**), the purpose of which is the monetisation of the debtor's assets and the collective satisfaction of creditors or the gradual satisfaction of creditors as agreed in the restructuring plan in accordance with the valid and effective Bankruptcy and Restructuring Act or similar regulations (the **Similar Proceedings**) over its assets;
- (ii) the assets of the Issuer have been declared bankrupt by a court in the Slovak Republic or the Similar Proceedings has been declared, or the bankruptcy of the Issuer or the Major Company has been legally decided by a court having jurisdiction or other competent authority;
- (iii) bankruptcy or other similar proceedings have been initiated in relation to the Issuers or the Major Company, unless the petition to initiate such proceedings is (A) withdrawn within 45 (forty-five) days or is refused or rejected by the court having jurisdiction within this period for reasons other than insufficient assets according to point (iv) below, or in the case of a Major Company existing under Czech law (B), the Czech Insolvency Court decided pursuant to Section 100a of the Czech Insolvency Act (Act No. 182/2006 Coll., on Bankruptcy and Manner of its Resolution) on a preliminary assessment of the insolvency petition and refused this petition within the period according to Section 128a(1) of the Czech Insolvency Act for its being manifestly unfounded;
- (iv) The insolvency petition has been rejected by the competent body on the grounds that the Issuer's or Major Company's assets would not even cover the costs and expenses associated with the proceedings;
- (v) The Issuer or a Major Company proposes to a group of creditors or enters with a group of creditors into a settlement agreement or postponement agreement, drawing up a time schedule for the fulfilment of receivables or other adjustment of its debts due to the fact that it is not able to fulfil them properly and on time; or
- (vi) a fact similar to any of the cases mentioned in paragraphs (i) to (v) above occurs regarding the Issuer or a Major Company.

(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 trade licence or other permit to pursue its principal



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business, other than in relation to (i) the Permitted Reorganisation, or (ii) the Permitted Transfer of Seat.

(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.

(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.

(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 it becomes illegal for the Issuer 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 five Business Days (inclusive).

(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**);

(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 article 11.1,

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

(j) **Security**

the Security is not created in favour of the Security Agent as pledgee under the terms and deadlines set out in articles 10.1 and 14.1 of the Terms and Conditions 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 (after its creation) 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 any Pledgor under

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the Security Documents or any of their creditors claims that the Security is invalid or not enforceable.

(k) **Admission to Trading**

(i) the Bonds are not admitted to trading on the Regulated Market of the Bratislava Stock Exchange or any other regulated market of the Bratislava Stock Exchange (or any Bratislava Stock Exchange successor) as of the Issue Date at the latest or (ii) due to a breach by the Issuer, the Bonds cease to be traded on the Regulated Market of the Bratislava Stock Exchange or any other regulated market of the Bratislava Stock Exchange (or any Bratislava Stock Exchange successor) for more than seven days.

19.2 **Consequences of an Event of Default**

(a) The Issuer shall immediately notify the Bondholders that an Event of Default has occurred.

(b) If any Event of Default occurs and continues, they may:

(i) in the case of an Event of Default pursuant to paragraphs 19.1(a), 19.1(d) or 19.1(f), the Security Agent; or

(ii) in the case of any Event of Default, Bondholders holding Bonds whose nominal value is at least 10% of the total Nominal Value of issued and outstanding Bonds,

by a written notice, request the convening of the Meeting in accordance with article 25.1 below (the **Meeting Convocation Request**), in order to vote on the possibility of exercising the right to demand early redemption of the Bonds.

(c) Notwithstanding paragraph (b) above:

(i) If any Event of Default occurs and continues, each Bondholder may request the Issuer to early redeem the Nominal Value and the relevant interest income on all Bonds held by the Bondholder, by means of a written request addressed to the Issuer and delivered to the Administrator at the address of the Specified Office (the **Bondholder's Early Redemption Request**). In such case, the Issuer shall early redeem the Nominal Value and the relevant interest income on all such Bonds in accordance with paragraph (ii) below.

(ii) Any and all amounts payable by the Issuer to the relevant Bondholder under paragraph (i) above will become due and payable as of the last Business Day of the month following the month in which the Bondholder delivered the relevant Bondholder's Early Redemption Request to the Issuer to the address of the Specified Office in accordance with paragraph (i) above (the **Early Redemption Date at the Option of the Issuer**), unless the relevant Event of Default on the basis of which this Bondholder made the Bondholder's Early Redemption Request ceases to exist, until the time of such delivery, or this Bondholder withdraws such Bondholder's Early Redemption Request in accordance with the paragraph (ii) below.

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- (iii) A Bondholder may withdraw its Bondholder's Early Redemption Request in writing, but only in relation to the Bonds held by that Bondholder and only if such withdrawal is addressed to the Issuer and delivered to the Administrator at the address of the Specified Office not later than eight Business Days before the relevant amounts become payable in accordance with paragraph (ii) above. Such withdrawal will not affect any other Bondholder's Early Redemption Requests (made by any other Bondholders).
- (d) Notwithstanding paragraph (b) above:
  - (i) If any Event of Default pursuant to paragraphs 19.1(a), 19.1(d) or 19.1(f) of these Terms and Conditions occurs and continues, the Security Agent may, if in its opinion it is necessary to protect the rights and interests of the Bondholders, decide that all obligations of the Issuer arising from the Bonds, including unpaid accrued interest or other income on the Bonds shall become due (the **Security Agent's Early Redemption Decision**).
  - (ii) The Security Agent's Early Redemption Decision will state the Event of Default that constitutes its basis and will take effect immediately after its delivery to the Issuer and its publication on the website of the Security Agent.
  - (iii) If the Security Agent's Early Redemption Decision has been adopted, all amounts payable by the Issuer to the Bondholders will become due (unless they become due earlier) on the last Business Day of the month following the month in which the Security Agent's Early Redemption Decision became effective under the preceding paragraph (the **Early Redemption Date at the Option of the Security Agent**).
  - (iv) Notwithstanding the above, the Security Agent shall accept the Security Agent's Early Redemption Decision whenever a Simple Majority decides so at the Meeting, and the basis for such a decision of the Meeting may be any Event of Default.
  - (v) For the avoidance of doubt, both the Security Agent's Early Redemption Decision and the decision to enforce the Security may be adopted at a single Meeting.

### 19.3 No Repeated Convocation

A Bondholder may not request that the Meeting be convened in the case of such an Event of Default in respect of which the Meeting either had already been convened in the past and either did not resolve to exercise the right to request early redemption of the Bonds or determined an additional period of time to satisfy the obligation of the Issuer and this period of time has not yet expired.

### 19.4 Maturity of the Accelerated Bonds

- (a) Unless they became due earlier, the Issuer's obligations under the Bonds (i.e. the obligation to redeem the Nominal Value and the relevant interest income on the Bonds) will become mature early on the last Business Day of the month following the month in which the Meeting was held that decided on the exercise of the right to demand early redemption of the Bonds (the **Early Redemption Date**).

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- (b) For the making of payments in the case of early redemption of the Bonds according to this article 19 of the Terms and Conditions, the other provisions on the making of payments shall apply accordingly.

## **20. STATUTE OF LIMITATION**

Rights connected with the Bonds will become time-barred upon the expiration of ten years from their redemption date.

## **21. DESIGNATED OFFICE AND THE ADMINISTRATOR**

### **21.1 Specified Office and Payment Place**

The Specified Office and the Administrator's payment place (the **Specified Office**) are at the following address:

J&T BANKA, a.s., pobočka zahraničnej banky  
Dvořákovo nábrežie 8  
811 02 Bratislava  
Slovak Republic

### **21.2 Administrator**

The activities of the Administrator associated with payments of interest income and redemption of the Bonds will be provided for the Issuer by J&T BANKA, a.s. through its branch J&T BANKA, a.s. pobočka zahraničnej banky in the Slovak Republic, under the Agreement with the Administrator.

### **21.3 Additional or Other Administrator and Other Specified Office**

The Issuer may decide on the appointment of another Administrator or additional Administrator and to designate another or additional Specified Office of the Administrator. The changes of the Administrator and the Specified Office shall be deemed to be a change of the payment place. The changes may not materially harm the Bondholders. The Issuer shall notify the Bondholders of its decision to appoint another or additional Administrator. Any such change shall become effective after the end of a 15-day period after the date of the notice, unless a later effective date is specified in the notice.

### **21.4 The Relationship Between the Administrator and the Bondholders**

In connection with performance of obligations arising out of the Agreement with the Administrator, the Administrator shall act as Issuer's agent and its legal relationship with Bondholders shall be regulated only by the Agreement with the Administrator. A copy of the Agreement with the Administrator will be available for inspection to the Bondholders after prior notification during regular business hours at the Specified Office.

## **22. LISTING AGENT**

- 22.1 The activities of the listing agent in connection with the admission of the Bonds to the relevant regulated market will be performed for the Issuer by J&T BANKA, a.s. through its branch J&T BANKA, a.s. pobočka zahraničnej banky; the Issuer may decide to entrust the performance of the services of a listing agent in connection with the admission of the Bonds to the relevant regulated market to another or further person with the relevant authorisation to

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perform such activity (the **Listing Agent**). The change may not materially harm the Bondholders.

22.2 The Issuer will apply, through the Listing Agent, for admission of the Bonds to the relevant regulated market of the Bratislava Stock Exchange.

22.3 The Listing Agent shall act in connection with the performance of the obligations of Listing Agent as representative of the Issuer and shall have no legal relationship with the Bondholders.

## **23. CHANGES AND WAIVERS**

The Issuer and the Administrator may, without the consent of the Bondholders, agree on (i) any change of any provision of the Agreement with the Administrator if the change is solely formal, ancillary or of a technical nature or performed in order to correct an apparent error or required due to changes in laws, and (ii) any other change and waiver due to any breach of any provision of the Agreement with the Administrator that in the reasonable opinion of the Issuer and the Administrator will not harm the Bondholders.

## **24. CHANGES TO THE TERMS AND CONDITIONS**

The Issuer may only unilaterally change the Terms and Conditions if such change is a correction of an inaccuracy in the provisions of the Terms and Conditions, a change of the designation of the Issuer or the payment place, unless the Bonds Act or a special law require otherwise.

## **25. MEETING OF THE BONDHOLDERS**

### **25.1 Initiating a Meeting of the Bondholders**

(a) The Bondholders whose nominal value is at least 10% of the total aggregate nominal value of the issued and outstanding Bonds shall have the right to request the convocation of the Meeting of the Bondholders (the **Meeting**) in accordance with the Bonds Act and if an Event of Default occurs and continues. The Security Agent shall also be entitled to request the convocation of the Meeting in the event of an Event of Default under paragraphs 19.1(a), 19.1(d) or 19.1(f) of these Terms and Conditions. The Meeting Convocation Request must be delivered to the Issuer. Each Bondholder who requests the convocation of a Meeting shall state in the Meeting Convocation Request the number of Bonds it holds and, together with the Meeting Convocation Request, submit an extract from the Relevant Records evidencing that it is a Bondholder pursuant to article 4 of the Terms and Conditions holding the number claimed by it as of the day of signing the within the amount specified in Meeting Convocation Request.

(b) The Security Agent or the relevant Bondholder may withdraw the Meeting Convocation Request, but only if the withdrawal is delivered to the Issuer and the Administrator no later than five (5) Business Days before the date of the Meeting. Withdrawal of the Meeting Convocation Request shall be without prejudice to any other Meeting Convocation Request by other Bondholders. If a Meeting does not take place solely due to the withdrawal of the Meeting Convocation Request, the Security Agent or the relevant Bondholders shall jointly and severally (as appropriate) reimburse the Issuer for the costs incurred so far on the preparation of the Meeting.

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## 25.2 Convening of the Meeting

- (a) The Issuer shall convene a Meeting without unnecessary delay, in an case within 15 Business Days, even without a request from the Bondholders if an Event of Default occurs and continues (where an Event of Default that has not been remedied shall be deemed a continuing Event of Default).
- (b) The Issuer shall provide for the convocation of a Meeting without undue delay, in any case within 15 Business Days, of the delivery of the Meeting Convocation Request. The Issuer may also convene a Meeting on its own initiative at any time.
- (c) The costs of organising and convening a Meeting shall be borne by the Issuer, unless stated otherwise. However, the Issuer may demand compensation for the costs of convening a Meeting from the Security Agent or the Bondholders (as applicable) who have filed the Meeting Convocation Request without any serious reason, especially if the Issuer duly fulfils the obligations arising from the Bonds and no Event of Default occurred. The costs associated with the attendance of a Meeting shall be covered by each participant himself.

## 25.3 Notice of the Meeting

- (a) The Issuer shall publish the notice of convocation of a Meeting in the manner set out in article 26 below, within 5 Business Days prior to the date of the Meeting.
- (b) The convening notice of the Meeting must include at least:
  - (i) name, Identification No. and registered seat of the Issuer;
  - (ii) designation of the Bonds, including at least the name of the Bond, the Issue Date and ISIN;
  - (iii) venue, date and hour of the Meeting; the venue of the Meeting must be in Bratislava, the date of the Meeting must be a day which is a Business Day and the hour of the Meeting may not be earlier than 11:00 a.m. and later than 4:00 p.m.;
  - (iv) the agenda of the Meeting; the election of the Chairman of the Meeting must be the first item of the agenda of the Meeting – this shall not apply if the Meeting is convened by the Issuer on its own initiative, where the Meeting shall be chaired by the person appointed by the Issuer; and
  - (v) the Meeting Attendance Record Date.
- (c) If the reason to convene the Meeting no longer applies, the Issuer may cancel it in the same way as it was convened.

## 25.4 Persons Authorised to Attend and Vote at the Meeting

- (a) Persons entitled to attend the Meeting

Each Bondholder who has been registered as Bondholder of the Bonds pursuant to article 4 above (the **Person Entitled to Attend the Meeting**) at the end of the seventh day prior to the day of the relevant Meeting (the **Meeting Attendance Record Date**)



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may attend and vote at the Meeting. Any transfers of the Bonds made after the Meeting Attendance Record Date shall be disregarded.

The Person Entitled to Attend the Meeting may be represented by an attorney who, at the beginning of the Meeting, shall present and hand over to the Chairman of the Meeting (as defined below) the original of a power of attorney with an officially certified signature of the Person Entitled to Attend the Meeting or its statutory body, in case of a legal person, together with an original or a copy of a valid extract from the commercial register or other similar register in which the Person Entitled to Attend the Meeting is registered (possibly also the attorney, if legal person); this power of attorney shall be, except for manifest deficiencies, an irrefutable proof of the representative's right to participate and vote at the Meeting on behalf of the represented Person Entitled to Attend the Meeting. After the end of the Meeting, the Chairman of the Meeting shall hand the power of attorney over to the Issuer's custody.

(b) Voting Right

The Person Entitled to Attend the Meeting shall have as many votes out of the total number of votes that correspond to the ratio held by the Nominal Value of the Bonds it holds as of the Meeting Attendance Record Date to the total nominal value of the Bonds held by other Persons Entitled to Attend the Meeting attending the Meeting as of the Meeting Attendance Record Date. The Bondholders who are (i) the Issuer itself, (ii) any company that is a member of the Group and (iii) any persons controlled by them or close to them (the **Excluded Persons**) may not vote at the Meeting. However, the Excluded Persons may still attend the Meeting.

For the avoidance of doubt, a Bondholder registered and represented by an Excluded Person when performing the holding administration or a similar relationship shall not be an Excluded Person. In relation to the Bonds held by such Bondholder, that Excluded Person may also exercise the voting rights as administrator.

(c) Attendance of the Meeting by Other Persons

The Issuer shall attend a Meeting, either through its statutory body or through a duly authorised person. Any other members of the Issuer's and/or Administrator's statutory, supervisory, audit or management body, other representatives of the Administrator, a notary public and guests invited by the Issuer and/or the Administrator, or any other persons whose attendance at the Meeting has been approved by the Issuer and the Administrator, may also attend the Meeting.

## 25.5 Course of the Meeting and Adopting Decisions

(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 50% of the aggregate nominal amount of the issued and outstanding Bonds of the particular Issue. For these purposes, the Bonds held by the Excluded Persons shall not be included. Prior to commencement of the Meeting, the Issuer will provide (based on the information provided by the Administrator from extracts from the Relevant Records as of the Meeting Attendance Record Date) information on the number of Bonds in respect of

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which the Persons Entitled to Attend the Meeting are entitled to attend and vote at the Meeting.

(b) Chairman of the Meeting

A Meeting convened on the initiative of the Issuer shall be chaired by the Issuer or a person designated by the Issuer.

If a Meeting has been convened on the initiative of the Bondholders, the Meeting shall be chaired by the Issuer, or a person designated by the Issuer until the Meeting decides that another person is to become the Chairman of the Meeting (the **Chairman of the Meeting**). Election of the Chairman of the Meeting shall be the first item of the agenda of the Meeting. If the election of the Chairman of the Meeting at the Meeting is not successful, the Meeting shall be chaired by the Issuer, or a person designated by the Issuer until the end of the Meeting.

(c) Adopting Decisions at the Meeting

The Meeting shall decide on the submitted proposals by way of resolutions. The Meeting shall decide by a simple majority of the votes of the attending Bondholders other than the Excluded Persons (the attending Bondholders other than the Excluded Persons, the **Voting Bondholders**). Any matters that were neither included in the proposed agenda of the Meeting nor mentioned in the convening notice may only be decided if the discussion of these points is agreed by all Voting Bondholders.

After the Chairman of the Meeting has announced the wording of the proposed resolution, each Voting Bondholder shall declare, upon the request of the Chairman of the Meeting, whether it is (i) for the adoption of the proposed resolution, (ii) against the adoption of the proposed resolution, or (iii) abstains from voting; each such statement shall be recorded by the attending notary public. After the end of the vote by all Voting Bondholders as described above and after the evaluation of the results, the Chairman of the Meeting, upon agreement with the attending notary public, shall notify the Voting Bondholders whether the proposed resolution has been adopted or rejected by the necessary number of votes of the Voting Bondholders; the announcement, together with the record of the attending notary public on the result of the vote, shall be an irreversible and conclusive evidence of the result of the vote.

The Meeting may decide on the early redemption of the Bonds as of the Early Redemption Date in the case of an Event of Default only if this Event of Default continues at the time of the Meeting's decision. If the Meeting adopts a resolution on the early redemption of the Bonds without meeting the conditions stated above, such a resolution will not be binding on the Issuer and the Bondholders and will not be taken into account to that extent.

Any duly adopted resolution shall be binding on the Issuer and all Bondholders, regardless of whether they attended the Meeting and voted or did not vote for the resolution at the Meeting. This shall be without prejudice to the rights of the Bondholders under article 25.6 below.

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(d) **Adjourning the Meeting**

The Chairman of the Meeting shall dissolve the Meeting if a duly convened Meeting does not have a quorum in accordance with paragraph (a) above after the lapse of 60 minutes after the time specified for the beginning of the Meeting. The Issuer shall convene a replacement Meeting so that it takes place no sooner than 14 days and no later than 42 days from the date on which the original Meeting was convened.

The replacement Meeting shall be announced in the manner set out in article 25.3. The new Meeting shall resolve and decide under the same conditions and in the same manner as the dissolved Meeting; however, the condition according to paragraph (a) above does not have to be met, and the replacement Meeting therefore shall have a quorum if at least one Voting Bondholder attends it.

(e) **Minutes of the Meeting**

The course of every Meeting (including, but not limited to (i) the agenda of the Meeting (ii) the individual resolutions adopted by the Meeting, and (iii) the results of voting at the Meeting on individual resolutions) will be recorded in a notarial deed prepared at the Meeting; one duplicate will be prepared by the attending notary public for the Issuer. Minutes that shall be duly deposited with the Issuer will constitute an irrefutable evidence of the facts contained in those minutes and, unless proven otherwise, will evidence the fact that each Meeting recorded in the minutes had been duly convened and/or held, and that all resolutions of such Meeting were adopted in accordance with the Terms and Conditions. The Issuer must publish the minutes within 14 days of the date of their preparation.

(f) The provisions of Section 5b of the Bonds Act shall apply to the course and decision-making activities of the Meeting to the extent to which they are not provided for in these Terms and Conditions.

**25.6 Rights of Dissenting or Non-voting Bondholders**

- (a) If a Meeting approves changes in the requirements of the Bonds specified in Section 3(1)(d), (e), (f), (k), (m) and (n) of the Bonds Act, the Bondholder who (i) was a Persons Entitled to Attend the Meeting, (ii) is not an Excluded Person, and (iii) according to the minutes voted at the Meeting against the resolution or did not attend the Meeting, may request the early redemption of the Nominal Value of the Bonds, if the Bondholder does not subsequently transfer the Bonds after the Meeting Attendance Record Date, including the pro rata income, or preservation of the rights and obligations of the Issuer and the Bondholder in accordance with the Terms and Conditions in their wording not affected by the decision of the Meeting (the **Request**). The Request will take the form of a signed written notice with an officially certified authenticity of the signature(s) or a verified signature by an authorised employee of the Administrator or the signatures of the Bondholder or the persons acting on the Bondholder's behalf. In the case of legal persons, the request shall be supplemented by the original or a copy of a valid extract from the commercial register or other similar register in which the Bondholder is registered. In the Request, the Bondholder shall indicate the number of Bonds (i.e. all Bonds held by the Bondholder), in relation to which the Request is submitted, and sufficient data on the Bondholder's account enabling the Issuer to redeem the Nominal Value and the applicable interest income. Together with the request, the Bondholder shall submit an extract from the Relevant

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Records evidencing that it is a Bondholder holding the number claimed by it as of the date of the request.

- (b) The request must be submitted within 30 days of the Meeting (the **Request Deadline**) and must be delivered to the Issuer and the Administrator at the address of the Specified Office within the same deadline, otherwise the right under this paragraph shall cease to exist. Likewise, this right shall cease to exist in relation to Bonds that the Bondholder authorised to submit the Request transfers to any other person after the Meeting Attendance Record Date. If the Issuer (at its own and exclusive discretion) does not decide to ensure the preservation of the rights and obligations of the Issuer and the Bondholder according to the Terms and Conditions in the wording unaffected by the decision of the Meeting, all sums payable by the Issuer to each Bondholder who delivered the Request within the Request Deadline shall become due as of the last Business Day within the period of 30 days after the Request Deadline. Such a day shall be deemed the Early Redemption Date in relation to the affected Bonds. Upon agreement with the Administrator, the Issuer may redeem the Nominal Value and the relevant interest income to each Bondholder of the affected Bonds even before the Early Redemption Date thus determined. Articles 19.4 and 18 above shall apply accordingly to the early redemption of the Bonds in question pursuant to this paragraph.
- (c) Each Bondholder shall also have the right to demand early redemption of the nominal value of the Bond, including the proportional income according to this paragraph, in the event that there has been and continues to be an Event of Default and the Issuer, despite the delivery of the Bondholders' request pursuant to article 25.1 above, does not convene the Meeting even within one month of the expiration of the deadline for convening the Meeting pursuant to article 25.2 above.

## 26. NOTICES

- 26.1 Any notice to the Bondholders in connection with the Bonds will be valid if published in the English or Slovak language (or in both of those languages) in the applicable dedicated part on the Issuer's Website.
- 26.2 If mandatory provisions of applicable laws for publication of any notice to the Bondholders determine any other method, the notice will be deemed to be published upon its publication in the manner prescribed by the relevant law. If any notice is published by several manners, the date of its first publication shall be deemed to be the date of such notice. Information and changes for which an amendment to the Prospectus is required will be published by the same means as the Prospectus.
- 26.3 Any notice to the Issuer in connection with the Bonds will be duly executed if it is delivered to the following address:

KKCG Financing 2 a.s.  
Dúbravská cesta 14  
841 04 Bratislava  
Slovak Republic

or to another address notified to the Bondholders in the manner specified in this article.

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**27. INTERPRETATION, GOVERNING LAW, LANGUAGES AND DISPUTES**

- 27.1 The Bonds will be issued in accordance with the Bonds Act, and the Bondholders shall have the rights and obligations arising from that Act, from these Terms and Conditions and from the Securities Act; the procedure for their execution follows from the applicable legal regulations and these Terms and Conditions.
- 27.2 The rights and obligations arising out of the Bonds and in connection with them will be governed, interpreted and construed in accordance with the laws of the Slovak Republic.
- 27.3 The Prospectus and the Terms and Conditions may be translated into the Czech language, the English languages or other languages. In the case of any conflicts between different language versions, the Slovak version will prevail.
- 27.4 Any and all disputes between the Issuer and the Bondholders arising under or in connection with the Bonds will be finally resolved by the Slovak courts having jurisdiction.
- 27.5 If any provision of the Terms and Conditions is invalid, ineffective, illegal or unenforceable and can be severed from the other provisions of the Terms and Conditions, the other provisions shall remain unaffected.

**28. DEFINITIONS**

In addition to the terms that are defined separately elsewhere in these Terms and Conditions, in these Terms and Conditions:

**Allwyn** means Allwyn AG, a company existing under the laws of Switzerland, with its registered office at Mühlenplatz 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.

**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).

**CFO** means Chief Financial Officer.

**Czech Bonds Issue** means any bonds issue on the basis of or in connection with 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, approved by the decision of the Czech National Bank ref.

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no. 2024/068934/CNB/650, file no. S-Sp-2024/00107/CNB/659 dated 19 June 2024, effective on 20 June 2024.

**Additional Security Establishment Date** means (i) for the purposes of article 11, the day as of which Rectification by way of entering into an Additional Security Document is to be carried out under article 11 or (ii) 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.

**Initial Security Establishment Date** means the day that falls on the second Business Day prior to the Issue Date.

**Additional Security Documents** means any Additional Security Agreement or any amendment, supplementation or full version of the Initial Security Agreement or any similar document pursuant to which the Additional Security is established.

**Additional Security** means any pledge or other security interest in the Allwyn Shares under the Additional Security Agreement that is additional to the Initial Security Interest in the Allwyn Shares established on or before the Initial Security Establishment Date.

**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 articles 13 and 15, if calculated for the purposes of articles 13 and 15, be older than 4 months; or
  - (ii) as of the date of the Rectification under article 11, if calculated for the purposes of the Rectification under article 11, 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 articles 11 to 15, 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 article 11, 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 article 14.7, if any

**IFRS** means the International Financial Reporting Standards as adopted by the European Union from time to time, or any other variation thereof (including IFRS issued by the



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International Accounting Standards Board), under which the relevant entity is required to act, or may be required to act, and at any time after the Issue Date occurs, the Issuer may irrevocably determine that “IFRS” shall mean IFRS as of or before the date on which such determination is made, or that “IFRS” shall mean generally accepted accounting standards in the United States of America in effect at the time or as of the date on which such determination is made or before it.

**Simple Majority** means simple majority of votes of the Bondholders attending the Meeting who are Persons Entitled to Attend the Meeting other than the Excluded Persons.

**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.

**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.

**Consolidated EBITDA** means a financial indicator of the Group’s profitability, which shows the Group’s operating performance without taking into account the impact of interest, taxes, depreciation and amortisation. The Group’s consolidated EBITDA for the relevant financial year shall be calculated as consolidated profit from operating activities increased by (except in the case according to paragraph (vi), to the extent reduced when calculating consolidated profit from operating activities) (i) depreciation and amortisation; (ii) share in the profit of units for which the Group accounts using the equity method investees (after tax); (iii) other non-monetary expenses, including loss write-offs, depreciation or non-monetary compensation costs or expenses; (iv) any costs and expenses incurred in connection with any management equity plan or stock option plan or any other management or employee benefit program; (v) (as a positive number) any non-recurring losses, restructuring costs, start-up or initial costs of any project or new type of business; (vi) savings, reductions in operating expenses and synergies related to mergers and other business combinations, acquisitions, sales, restructurings, new projects, cost reduction 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, Cash Equivalents and Short-term Financial Assets of the Group and excluding any liabilities of Allwyn to any other member of the Group.

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

**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.

**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

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and daughter-in-law (including adoptive relationships), the estate 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.

**Cash Equivalents and Short-term Financial Assets** means:

- (a) direct obligations (or securities representing a share in such obligations) issued or unconditionally secured, guaranteed or insured by the 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 all cases including any office or other public authority), the repayment of which is supported by the full faith and trust of the relevant state;
- (b) overnight bank deposits, term-deposit accounts, deposit certificates, bank acceptances, time deposits, demand deposits, bankers' acceptances and money-market deposits with agreed maturity (and similar financial instruments) within 24 months from the date of their acquisition;
- (c) repurchase obligations in connection with specific types of underlying securities referred to in paragraphs (a) and (b) above and paragraphs (d) and (e) below, entered into with any financial institution, if the prerequisites referred to in paragraph (b) above have been met;
- (d) commercial paper, variable and fixed rate notes, short-term money market and similar funds, which were awarded one of the two highest ratings by Moody's, S&P or Fitch, in each case maturing within two years of the date of their acquisition;
- (e) money market funds and investment funds consisting of at least 90% of the above-mentioned Cash Equivalents and Short-term Financial Assets;
- (f) any instrument classified as cash and cash equivalents under IFRS;
- (g) short-term monetary assets in the form of funds deposited in accounts intended for debt service payments to banks, unless the authorised beneficiary, other than a member of the Group, has requested the withdrawal of funds;
- (h) structures for obtaining funds within the Group (cash-pooling) or within the Issuer's affiliates; and
- (i) to the extent that it does not fall under paragraphs (a) to (h) above, the amount of current financial assets or current other financial assets, as stated in the consolidated financial statements of Allwyn.

**Subordinated debt** means any debt of the Issuer that is:

- (a) legally effectively fully subordinated to the obligations of the Issuer under the Bonds, in case of bankruptcy and outside of bankruptcy; and
- (b) payable only after full fulfilment of all obligations of the Issuer under the Bonds.

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

**Permitted Reorganisation** means any Reorganisation conducted on a solvent basis and includes:

- (a) relocation of Allwyn International's headquarters to Switzerland or Liechtenstein and change of legal form of Allwyn International;
- (b)
  - (i) relocation of Allwyn's headquarters to Liechtenstein;
  - (ii) a change in the legal form of Allwyn International or Allwyn or any change in the form of Allwyn shares, including a change to book-entry shares and the 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 that was not a subsidiary of KKCG AG where the successor entity is domiciled in any member state of the European Union or in the United States of America, in any state of the United States or in the District of Columbia, Canada or any province of Canada, Great Britain, Norway, Switzerland or Liechtenstein;
  - (iv) acquisition of the assets of Allwyn International by Allwyn;
  - (v) acquisition of Allwyn shares by a direct or indirect subsidiary of KKCG AG;
  - (vi) listing of shares of Allwyn, Allwyn International or any other direct or indirect subsidiary of KKCG on an internationally recognised exchange or 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 a transfer of Pledged Allwyn Shares to a third party other than a direct or indirect subsidiary of KKCG AG;
  - (vii) the insertion of a new holding company that is a direct or indirect subsidiary of KKCG AG; or
- (c) a Reorganisation in which:
  - (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 the case of paragraphs (b) and (c) above, such Permitted Reorganisation:

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

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**Permitted Security Replacement** means a 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 shall take effect only after or substantially simultaneously with the perfection of the relevant replacement Security that was established in connection with the Permitted Security Replacement; and
- (b) the substantially adequate security (as determined by the Security Agent) must be provided in relation to the shares or assets of direct or indirect subsidiaries of KKCG AG (the period during which it is possible to oppose the legal actions of the relevant person or other similar concept is not taken into account when assessing the appropriate level of security),

**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 prepared by an independent third party such as KPMG, EY, PwC, Deloitte or another 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 evidence that the value of such replacement Security is at least substantially equivalent to the value of the Security before such Permitted Reorganisation;
- (ii) a 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 after the Permitted Security Replacement and specifying the steps required to be taken (including, without limitation, re-granting and perfection of any Security) to ensure the validity and enforceability of the Security Documents in connection with the Permitted Security Replacement; and
- (iii) a legal opinion(s) from legal adviser(s) to the Security Agent confirming the validity and effectiveness of such replacement Security under the applicable law,

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

**Permitted Transfer of Seat** means, in relation to any Major Company, the transfer of its seat and subsequent change in the legal form of such 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

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- (b) any Security Replacement in connection therewith constitutes a Permitted Security Replacement.

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

- (a) listing of shares of a direct or indirect subsidiary of KKCG AG the shares of which are subject of the 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) not 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 of 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 LTV 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 conditions being satisfied and the Security Agent receiving the above-mentioned documents.

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

**Group** means Allwyn and its direct and indirect subsidiaries.

**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.

**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.

**Restricted Account** means a bank account of the Issuer, the Parent or another relevant entity opened with the Security Agent, 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.

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

**Issuer's Website** means <https://investors.kkcg.com/>.

**Security Interest** means any pledge, encumbrance, security transfer of right, lien or any other form of security, including, without limitation, any analogous concept under the laws of any jurisdiction, except for the Security.

**Indebtedness** means, for the purposes of these Terms and Conditions, any indebtedness of the relevant person set out below (other than the Subordinated Debt, and if certain indebtedness shows signs of several categories of Indebtedness, it shall be counted only once):

- (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 for-consideration 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) the amount of any debt resulting from the entered into purchase contract in the event that (i) one of the main reasons for entering into the contract is to raise funds or finance the acquisition of the relevant asset (property); and (ii) the contract relates to the delivery of assets (property) and payment is due more than 90 (ninety) days after the delivery date;
- (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:

- (i) 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;



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- (ii) in connection with the purchase of any business, any post-closing payments 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;
- (iii) any obligations in respect of workers' compensation claims, early retirements or termination obligations, pension fund obligations or contributions or similar claims, any obligations under any agreement entered into with any member of the Group related to obligations or contributions to social security, wage taxes, tax sharing or profit and loss pooling or similar agreement;
- (iv) any shareholder loan subordinated to the obligations of the Issuer under the Bonds;
- (v) prepayments or deposits received from clients or customers in the ordinary course of business;
- (vi) obligations under any licence, permit, or other approval (or guarantees given in respect of such obligations) incurred in the ordinary course of business;
- (vii) deferred or prepaid revenues;
- (viii) 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;
- (ix) any asset retirement obligations; or
- (x) any liability for taxes.

**Pledged Allwyn Shares** means the shares in Allwyn or any other entity the shares of which are, at any time, subject to Security in accordance with these 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 Slovak Receivables Pledge Agreement.

**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

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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 services 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.

*[end of the wording of the Terms and Conditions]*

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**10. TERMS AND CONDITIONS OF THE OFFER, ADMISSION TO TRADING AND RESTRICTIONS ON DISTRIBUTION**

**10.1 Subscription offer for the Bonds (Primary Sale)**

Within the framework of the primary sale (subscription) on the basis of the public offer in the territory of the Slovak Republic and the Czech Republic, the activities related to the issuance and subscription of all Bonds will be carried out by the Joint Lead Managers:

- (a) J&T BANKA, a.s., with registered office at Sokolovská 700/113a, Karlín, 186 00 Prague 8, Czech Republic, ID No.: 471 15 378, LEI: 31570010000000043842, registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert No. 1731, which operates in the Slovak Republic through a branch of J&T BANKA, a.s, branch of a foreign bank, Dvořákovo nábřeží 8 811 02 Bratislava, Slovak Republic, ID No.: 35 964 693, LEI: 097900BHFR0000075034, registered in the Commercial Register kept by the Municipal Court Bratislava III, Section Po, Insert No. 1320/B (hereinafter **J&T BANKA**). J&T BANKA can be contacted by phone +421 259 418 111 or by email [info@jtbanka.sk](mailto:info@jtbanka.sk).
- (b) UniCredit Bank Czech Republic and Slovakia, a.s., with registered office at Želetavská 1525/1, 140 92 Prague 4, ID No.: 649 48 242, registered in the Commercial Register kept by the Municipal Court in Prague, File: B 3608, LEI: KR6LSKV3BTSJRD41IF75, which operates in the Slovak Republic through a branch of UniCredit Bank Czech Republic and Slovakia, a.s., 47 251 336, registered in the Commercial Register kept by the Municipal Court Bratislava III, Section Po, Insert No.: 2310/B (hereinafter referred to as **UCB**). UCB can be contacted by telephone at +420 221 210 031 or by email [info@unicreditgroup.cz](mailto:info@unicreditgroup.cz).
- (c) PPF banka, a.s., with registered office at Evropská 2690/17, 16041 Prague 6, ID No.: 47116129, registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert No.: 1834, LEI: 31570010000000036567 (hereinafter **PPF banka**). PPF banka can be contacted by phone at +420 222 244 255 or by email [info@ppfbanka.cz](mailto:info@ppfbanka.cz).

The Issuer will enter into a placement agreement with the Joint Lead Managers prior to the issuance of the Bonds without a firm commitment.

The public offering of the Bonds through the primary sale (subscription) of the Bonds will run from 18 September 2024 to 12 September 2025 (12:00 p.m.).

The date of commencement of the issue of the Bonds (i.e., the commencement of the crediting of the Bonds to the accounts in the Relevant Register) and the date of issue of the Bonds shall be 17 October 2024 (the **Bond Issue Date**). The Bonds will be issued from time to time, with the anticipated period of issue of the Bonds (i.e. crediting to the relevant asset accounts) ending no later than one month after the expiry of the subscription period for the Bonds or one month after the subscription of the highest amount of the nominal values of the Bonds (whichever is earlier). The Issuer shall be entitled to issue Bonds in a smaller amount than the highest amount of the nominal values of the Bonds, in which case the Issue shall be deemed to have been successful. The foregoing includes the Issuer's ability to suspend or terminate the offering at its discretion (depending on its current funding requirements), whereby, following the termination of the offer, no further orders will be accepted and, following the suspension of the offer, no further orders will be accepted until the Issuer publishes information on the continuation of the offer. The Issuer will in each case publish information on the termination of the offer, suspension of the offer or continuation of the offer in advance on a dedicated section of the Issuer's website <https://investors.kkcg.com/>.

The minimum order amount is set for one Bond. The maximum order amount (i.e. the maximum amount of the nominal value of the Bonds requested by an individual investor) is limited only by the highest amount of the nominal values of the Bonds to be issued.

The Joint Lead Managers shall be entitled to reduce the volume of the Bonds specified in investor orders/instructions at their sole discretion, but always on a non-discriminatory basis, in accordance

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with the execution strategy of the Joint Lead Managers and in compliance with the law, including MiFID II. In the event of a reduction in order size, the Joint Lead Managers shall refund any overpayment to the investors concerned without undue delay to the investor's account notified to the Joint Lead Managers for that purpose. The relevant contracts and orders will be available to investors from the Joint Lead Managers.

A condition of participation in the public offer is the proof of the investor's identity with a valid identity document. Investors will be approached in particular by means of long-distance communication. As a condition for acquiring the Bonds through each Joint Lead Manager, the investor must enter into an investment services agreement between the investor and the Joint Lead Manager and submit an instruction to purchase the Bonds pursuant to that agreement. Once the Bonds have been subscribed for and credited to the accounts of the Bondholders, a confirmation of subscription will be sent to the Bondholders, and trading in the Bonds may commence at the earliest upon the issuance of the Bonds and the admission of the Bonds to trading on the regulated free market of the BSE.

In connection with the primary sale (subscription) of the Bonds on the basis of a public offer in the Slovak Republic, J&T BANKA charges investors a fee according to its current tariff, currently in the amount of 0.60% of the transaction volume, at least EUR 3. If the settlement of the trade is to an account other than the Holder's account, the fee is 1.00%, with a minimum of EUR 400. J&T BANKA's current fee schedule is published for the purposes of the offer in the Slovak Republic on the website [www.jtbanka.sk](http://www.jtbanka.sk) in the section "Useful information", sub-section "Fee schedule" under the link Fee schedule part I - natural persons not entrepreneurs, effective from 5 January 2024 and Fee schedule part II - legal entities and natural persons entrepreneurs, effective from 5 January 2024.

In connection with the acquisition of the Bonds through UCB in Slovakia, the investor in the Bonds will be charged in connection with the subscription instruction a fee of 0.25% of the total nominal value of the Bonds being acquired. In accordance with UCB's current price list available on UCB's website at [www.unicreditbank.sk](http://www.unicreditbank.sk) (under *Cenníky, Fyzické osoby - nepodnikatelia*, section 10.4 *OBCHODOVANIE A SLUŽBY S CENNÝMI PAPIERMI - Poskytovanie služieb v rámci správy/evidencie*), UCB will also charge the current UCB fees for maintaining the Securities Account. Such fees shall not exceed 0.20% of the total nominal value of the Bonds registered in such account per annum, exclusive of GST, but not less than EUR 3 per quarter, exclusive of GST.

In connection with the acquisition of the Bonds through UCB in the Czech Republic, the investor in the Bonds will be charged in connection with the subscription instruction a fee of 0.25% of the total nominal value of the Bonds being acquired. In accordance with UCB's current price list available on UCB's website at [www.unicreditbank.cz](http://www.unicreditbank.cz) (under *Sazebník, Fyzické osoby nepodnikající*, section 10.4 *Cenné papíry a podílové fondy - Poskytování služeb v rámci úschovy/správy*), UCB will also charge UCB's current fees for maintaining the securities account. Such fees shall not exceed 0.20% of the total nominal value of the Bonds registered in such account per annum, exclusive of value added tax, but not less than CZK 300, exclusive of value added tax.

No initial fee will be charged to the investor in the Bonds in connection with the acquisition of the Bonds through PPF banka a.s. In accordance with the current price list of PPF banka a.s., which is available on the website [www.ppfbanka.cz](http://www.ppfbanka.cz) (under *Important documents, Product information, Price lists*), each investor will be charged a fee for maintaining a securities account, which will not exceed 0.10% of the total nominal value of the Bonds registered in such account per annum.

The estimated remuneration (commission) of the Joint Lead Managers for the placement of the Bonds is approximately 0.7% to 1.7% of the nominal value of the Bonds placed.

There are no pre-emption rights or rights of preferential subscription in respect of the Bonds.

The results of the primary sale (subscription) of the Bonds will be published in a dedicated part of the Issuer's website <https://investors.kkcg.com/> after all the Bonds have been subscribed, but no later than on the day following the end of the Bonds' issue period. The Bonds will be credited without undue delay to the accounts of the Bondholders held in the Relevant Register against payment of the Issue Price of the Bonds concerned, upon the instruction of the Joint Lead Managers.

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In order to successfully primary settle (i.e. credit the Bonds to the relevant accounts upon payment of the Issue Price) the subscriber of the Bonds must act in accordance with the instructions of the Joint Lead Managers or their nominees. In particular, if a subscriber of the Bonds is not itself a member of the CSD, it must establish the relevant account with the CSD or a member of the CSD. No assurance can be given that the Bonds will be duly delivered to the primary subscriber if the primary subscriber or the person holding the relevant account for it fails to comply with all procedures and comply with all relevant instructions for the purpose of primary settlement of the Bonds.

## 10.2 Secondary offering of Bonds

The Issuer consents to a subsequent public offering of the Bonds in the secondary market in the Slovak Republic and the Czech Republic by any Joint Lead Manager or any other financial intermediary pursuant to a public offering of securities under the Prospectus Regulation in the Slovak Republic and consents to the use of this Prospectus for the purposes of such subsequent public offering of the Bonds. For the avoidance of doubt, the Issuer consents to the use of the Prospectus by the selected financial intermediary. Consent to the use of the Prospectus is conditional upon the Issuer's written permission to use this Prospectus for the purposes of the public offering or the final placement of the Bonds, which will identify the financial intermediary to which permission has been granted. A list of the relevant financial intermediaries to whom consent has been granted will be published in a dedicated section of the Issuer's website <https://investors.kkcg.com/>.

The Issuer's consent to the subsequent public offering of the Bonds in the secondary market is limited in time to the period from the issuance of the Bonds until the expiry of 12 months from the date of the final decision of the NBS on the approval of this Prospectus.

The Issuer expressly accepts responsibility for the contents of the Prospectus also with respect to the secondary offering of the Bonds through selected financial intermediaries.

In particular, if it is a secondary offering of Bonds by J&T BANK, the minimum nominal value of the Bonds that an individual investor will be entitled to purchase will be limited to one Bond. The maximum amount of the nominal value of the Bonds requested by an individual investor in an order is limited by the total volume of the Bonds offered. The final nominal value of the Bonds allocated to an individual investor will be specified in the confirmation of acceptance of the offer, which will be sent by J&T BANKA to individual investors (in particular by means of remote communication). The Bonds will be offered at the price determined by J&T BANK as the Listing Agent at the price determined by the current offer and demand for the Bonds. Upon the subsequent sale of the Bonds on the secondary market, J&T BANKA will charge investors a fee according to its current tariff, currently at the rate of 0.60% of the trade volume, subject to a minimum of EUR 3. If the settlement of the trade is to an account other than the Holder's account, the fee is 1.00%, minimum EUR 400. J&T BANKA's current fee schedule is published for the purposes of the offer in the Slovak Republic on the website [www.jtbanka.sk](http://www.jtbanka.sk) in the section "Useful information", sub-section "Fee schedule" under the link Fee schedule part I - natural persons not entrepreneurs, effective from 5 January 2024 and Fee schedule part II - legal entities and natural persons entrepreneurs, effective from 5 January 2024.

### **ANNOUNCEMENTS TO INVESTORS:**

**Information on the terms of the offer of the financial intermediary must be provided by the financial intermediary to each specific investor at the time of the offer.**

## 10.3 MiFID II monitoring of financial instrument creation and distribution

### *Target market eligible counterparties, professional clients and retail clients*

Solely for the purposes of its own approval process, a review of the Target Market in relation to the Bonds has been undertaken by the Joint Lead Managers and has been evaluated by the Joint Lead Managers, that (i) the target market for the Bonds is eligible counterparties and professional clients within the meaning of Directive 2014/65/EU, as amended (MiFID II), as well as retail clients and (ii) in the distribution of the Bonds in this target market, all distribution channels are permissible, including

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sale with investment advice, portfolio management services, non-advised sales as well as execution only.

Any person subsequently offering, selling or recommending Bonds subject to the MiFID II Rules is responsible for conducting its own target market analysis in relation to the Bonds (either by adopting or refining a target market assessment) and determining its own appropriate distribution channels. The Joint Lead Managers and the Issuer are only ever responsible for determining target markets and distribution channels in relation to the primary offering of the Bonds or the offering made by the relevant Joint Lead Manager, as the case may be.

#### **10.4 Admission to trading and method of trading**

The Issuer shall apply no later than after the subscription of the total nominal value of the Bonds or after the expiry of the subscription period for the Bonds (in the event that the total nominal value of the Bonds is not subscribed by the end of the subscription period) The Issuer cannot guarantee that the application for admission of the Bonds to trading on the regulated free market of the BSE will be accepted by the BSE. Trading in the Bonds will commence only after their admission to trading on the regulated free market of the BSE. Apart from the application for admission of the Bonds to trading on the regulated free market of the BSE, the Issuer has not applied, and does not intend to apply, for admission of the Bonds to trading on any other domestic or foreign regulated market or exchange. As at the Bond Issue Date, in accordance with the Exchange Fee Schedule of the BSE, the Issuer's costs associated with the admission of the Bonds to trading on the regulated free market of the BSE are estimated at EUR 4,200 (EUR 3,500 being the one-off fee and EUR 700 being the annual admission fee on the regulated free market of the BSE). If an investor chooses to acquire the Bonds on the regulated free market of the BSE, the investor will be charged for the costs associated with such acquisition.

There are no persons who have a firm commitment to act as intermediaries in secondary trading providing liquidity through buy and sell quotes.

The Joint Lead Managers, or persons acting on their behalf, are authorized to effect stabilization of the Bonds and, accordingly, may, at their discretion, effect stabilization transactions (purchases or sales) with respect to the Bonds designed to support the market price of the Bonds at a level higher than might otherwise prevail without the effect of such transactions. **However, there can be no assurance that the Joint Lead Managers or any other persons will undertake stabilization transactions.** Any stabilization transactions, if any, will be effected only at a time, to the extent and in a manner consistent with the requirements of applicable law. The Joint Lead Managers may terminate such stabilization at any time.

Apart from these Bonds, the Issuer has not issued any debt securities admitted to trading on a regulated market.

#### **10.5 Restrictions on the distribution of the Prospectus and the sale of the Bonds**

The distribution of this Prospectus and the offer, sale or purchase of the Bonds are restricted by law in certain countries. This Prospectus has been approved only by the NBS. The Issuer will request the NBS to notify the approval of the Prospectus to the Czech National Bank (the **CNB**) as the competent authority of the Czech Republic pursuant to the Prospectus Regulation for the purpose of a public offering of the Bonds in the Czech Republic. The Bonds have not been and will not be registered, authorised or approved by any administrative or other authority of any other state. Accordingly, an offering of the Bonds in a state other than the Slovak Republic and the Czech Republic is only possible if the laws of such other state do not require the approval or notification of the Prospectus and all other conditions under the laws of such other state must also be satisfied.

**Specifically, the Bonds are not and will not be registered under the United States Securities Act of 1933 and, accordingly, may not be offered, sold or in any manner provided within the United**



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**States or to persons who are residents of the United States except pursuant to an exemption from registration under that Act or in a transaction not subject to such registration.**

**Persons who receive this Prospectus are required to inform themselves about any of the foregoing restrictions that may apply to them and to observe such restrictions. This Prospectus does not, of itself, constitute an offer to sell or the solicitation of an offer to buy the Bonds in any state.**

Each person acquiring the Bonds will be deemed to have represented and agreed that (i) such person understands all applicable restrictions on the offer and sale of the Bonds applicable to such person and the applicable method of offer or sale, (ii) such person will not offer for sale and will not resell the Bonds without, complying with all applicable restrictions applicable to such person and the relevant method of offer and sale, and (iii) before the Bonds are to be offered or resold, such person will inform purchasers that further offers or sales of the Bonds may be subject to legal restrictions in various states that must be complied with.

In addition to the foregoing, the Issuer requests all purchasers of the Bonds to comply with the provisions of all applicable laws (including the laws of the Slovak Republic and the Czech Republic) where they distribute, make available or otherwise circulate the Prospectus or other offering or promotional material or information relating to the Bonds, in all cases at their own expense and regardless of whether the Prospectus or other offering or promotional material or information relating to the Bonds is captured in written or electronic or other intangible form.

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## 11. TAXATION, LEVIES AND FOREIGN EXCHANGE REGULATION IN THE SLOVAK REPUBLIC

**The tax laws of the investor's Member State and the country of registration of the Issuer (i.e. the Slovak Republic) may have an impact on the income from the Bonds.**

*The text of this paragraph is only a summary of certain tax and levy considerations under Slovak law relating to the acquisition, ownership and disposition of the Bonds and is not an exhaustive summary of all tax relevant considerations that may be relevant to an investor's decision to purchase the Bonds. This summary does not describe the tax and levy considerations arising under the laws of any jurisdiction other than the Slovak Republic. This summary is based on the law in force on the date on which this Prospectus is prepared and may be subject to subsequent change, including with retroactive effect, if any. Investors interested in purchasing the Bonds are advised to consult their own legal and tax advisors as to the tax, levy and exchange control consequences of the purchase, sale and holding of the Bonds and the receipt of payments on the Bonds under the tax, exchange, social security and health insurance regulations applicable in the Slovak Republic and in the states in which they are resident and in the states in which the proceeds from the holding and sale of the Bonds may be taxed*

*The description below assumes that the person who receives any payments under the Bonds is the beneficial owner of such proceeds, e.g., such person is not an agent or intermediary who receives such payments on behalf of another person.*

### 11.1 Taxation and other levies on the Bonds in the Slovak Republic

Under the Income Tax Act, generally, corporate income is taxed at 21% and personal income is taxed at 19%, with the exception of income exceeding 176.8 times the minimum subsistence level in a given year, which is taxed at 25%. The withholding tax rate is 19%.

If the income is paid, remitted or credited to a tax resident of a state with which the Slovak Republic does not have a relevant treaty, the rate is 35%. The list of such states is published on the website of the Ministry of Finance of the Slovak Republic.

#### *Income tax on proceeds*

According to the relevant provisions of the Income Tax Act:

- (a) proceeds from the Bonds accruing to a non-resident taxpayer are not subject to income tax in the Slovak Republic; however, such proceeds from the Bonds are generally subject to taxation in the country of tax residence of the relevant payee (whether a corporation or an individual) and such foreign payee should check the method of taxation with its tax adviser;
- (b) the proceeds of the Bonds accruing to a tax resident corporation will not be subject to withholding tax but will form part of the income tax base and will be subject to a rate of 21%; and
- (c) income from the Bonds accruing to a tax resident of the Slovak Republic who is an individual will be subject to withholding tax at the rate of 19%.

As income tax laws may change during the term of the Bonds, the income from the Bonds will be taxed in accordance with the laws in force at the time of payment.

The Issuer will not provide the Bondholders with any compensation or increase in respect of taxation, nor is the Issuer obliged to compensate investors for any other tax costs in respect of the Bonds.

#### *Capital gains tax*

Profits from the sale of the Bonds realised by a legal entity which is a Slovak tax resident or a permanent establishment of a tax non-resident legal entity are included in the general tax base subject to taxation at the relevant corporate income tax rate. Losses on the sale of the Bonds computed on a cumulative basis for all Bonds sold in a single taxable year are generally not tax deductible except in specific cases provided by law.

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Gains from the sale of the Bonds realized by an individual who is a Slovak tax resident or a permanent establishment of a tax non-resident individual are generally included in the current personal income tax base. Losses on the sale of the Bonds computed on a cumulative basis for all Bonds and other securities sold in a single taxable year may not be considered tax deductible. If an individual has owned the Bonds admitted to trading on a regulated market for more than one year, the income from the sale is exempt from income tax, except for income from the sale of securities that were the individual's business property.

Income from the sale of the Bonds by a Slovak tax non-resident derived from a Slovak tax resident or a permanent establishment of a Slovak tax non-resident is generally subject to taxation at the relevant income tax rate, unless otherwise provided in the relevant double taxation treaty concluded by the Slovak Republic.

*Levies on the proceeds of the Bonds*

Proceeds from the Bonds in the case of natural persons who are compulsorily insured in the Slovak Republic are not subject to health insurance levies as far as the income is exempt from tax or the tax has been withheld.

**11.2 Foreign exchange regulation in the Slovak Republic**

The issuance and acquisition of the Bonds is not subject to foreign exchange regulation in the Slovak Republic. Foreign Bondholders may, subject to certain conditions, purchase funds in foreign currency for Slovak currency (euro) without foreign exchange restrictions and thus transfer amounts paid by the Issuer on the Bonds out of the Slovak Republic in foreign currency.

## 12. ENFORCEMENT OF PRIVATE LAW CLAIMS AGAINST THE ISSUER

*The text of this article is only a summary of certain provisions of Slovak law relating to the enforcement of private law claims related to the Bonds against the Issuer. This summary does not describe the enforcement of claims against the Issuer under the law of any other state. This summary is based on the law in force on the date on which this Prospectus was prepared and may be subject to subsequent change (including with retroactive effect, if any). The information set out herein is presented as general information only to characterise the legal position and has been extracted from the law. Investors should not rely on the information set out herein and are advised to consider with their own legal advisers the issues relating to the enforcement of private law liabilities against the Issuer.*

Any contractual and non-contractual rights and obligations arising under the Bonds shall be governed by and construed in accordance with the laws of the Slovak Republic and any disputes arising under the Bonds shall be adjudicated by the competent courts of the Slovak Republic.

The courts of the Slovak Republic shall have jurisdiction to enforce any private law claims against the Issuer in connection with the purchase or holding of the Bonds. All rights and obligations of the Issuer towards the Bondholders shall be governed by Slovak law. As a result, there is only a limited possibility to assert rights against the Issuer in proceedings before foreign courts or under foreign law.

### **Enforcement of private law claims in the Slovak Republic**

The Brussels I Regulation (recast) is directly applicable in the Slovak Republic. Pursuant to the Brussels I Regulation (recast), with certain exceptions set out in the Regulation, judgments issued by judicial authorities in EU Member States in civil and commercial matters are enforceable in the Slovak Republic and, conversely, judgments issued by judicial authorities in the Slovak Republic in civil and commercial matters are enforceable in EU Member States.

In cases where the application of the Brussels I Regulation (recast) is excluded for the purposes of recognition and enforcement of a foreign judgment, but the Slovak Republic has concluded an international treaty on recognition and enforcement of judgments with a certain state, enforcement of judgments of such state is ensured in accordance with the provisions of the international treaty. In the absence of such a treaty, the decisions of foreign courts may be recognised and enforced in the Slovak Republic under the conditions set out in Act No. 97/1963 Coll. on Private International Law and Procedure, as amended (hereinafter referred to as the **ZoMPS**). According to ZoMPS, decisions of judicial authorities of foreign states in matters referred to in the provisions of Section 1 of ZoMPS, foreign contracts and foreign notarial deeds (together hereinafter referred to as **foreign decisions**) cannot be recognised and enforced if (i) the decided matter falls within the exclusive jurisdiction of the authorities of the Slovak Republic or the authority of the foreign state would not have jurisdiction to decide on the matter, if the provisions of Slovak law would apply to the assessment of its jurisdiction, or (ii) they are not final or enforceable in the State in which they were issued, or (iii) they are not a decision on the merits of the case, or (iv) the party against whom the decision is to be recognised has been deprived of the opportunity to act before the foreign authority by the procedure of the foreign authority, in particular if he has not been properly served with a summons or a petition for the commencement of the proceedings; the court shall not examine the fulfilment of this condition if the foreign decision has been duly served on that party and the party has not appealed against it, or if that party has declared that it does not insist on the examination of this condition, or (v) the Slovak court has already given a final decision in the case or there is an earlier foreign decision in the same case which has been recognised or fulfils the conditions for recognition, or (vi) recognition would be contrary to Slovak public policy.

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**13. ADDITIONAL INFORMATION AND WARNINGS**

**13.1 Interests of natural and legal persons interested in the Issue/Offer**

The Issuer has entrusted J&T IB and Capital Markets, a.s., with registered office at Sokolovská 700/113a Karlín, 186 00 Prague 8, Czech Republic, ID No.: 247 66 259, registered in the Commercial Register maintained by the Municipal Court in Prague, File No.: B 16661 (hereinafter referred to as the **Arranger**) on the basis of a contract of assignment for activities related to the preparation and arranging of the issue of the Bonds, whereby the Arranger performs these activities within the meaning of the provisions of Section 6(2)(f) of the Securities Act.

Furthermore, the Issuer shall, pursuant to the Bond Placement Security Agreement, entrust the Joint Lead Managers with the activities related to the placement of the Bonds. The Joint Lead Managers may be incentivised to sell the Bonds in respect of their incentive fees (in the event of a successful sale), which may create a conflict of interest (although the Issuer is not aware of such facts). The Joint Lead Managers are obliged to take measures in the event of a conflict of interest as required by generally applicable law. The Joint Lead Managers shall participate and participate in the Issue, in the ordinary course of their business, for which they shall be paid an agreed remuneration by the Issuer. Participation in the Issue may, in addition to the preparation of the Issue, consist of the subscription of all or part of the Issue on the primary market. The Joint Lead Managers may provide various banking services to the Issuer as part of their normal activities. There may be a potential conflict of interest of the Joint Lead Managers in the Issue between, on the one hand, the interests of the Joint Lead Managers in arranging the sale of the Bonds pursuant to the Bond Placing Agreement entered into between the Issuer and the Joint Lead Managers and, on the other hand, the interests of the Joint Lead Managers in providing investment services consisting of accepting and forwarding client orders, executing client orders for the account of the client or providing investment advice to clients.

Neither the Joint Lead Managers nor any other person has assumed any obligation to the Issuer to subscribe for or purchase the Bonds in connection with the Issue.

The Issuer has entrusted, inter alia, the Administrator with the activities of fiscal and paying agent in connection with the payment of interest and repayment of the Bonds. The relationship between the Issuer and the Administrator in connection with the payment of payments to the Bondholders and in connection with certain other administrative actions in relation to the Issue is governed by the Agreement with the Administrator. In addition, the Issuer has appointed J&T BANKA to act as calculation agent and as listing agent in connection with the admission of the Bonds to trading on the regulated free market of the BSE.

J&T BANKA will also perform the function of the Security Agent on the basis of a contract with the Security Agent to be concluded with the Issuer.

Save as disclosed above, as at the date of this Prospectus, the Issuer is not aware of any interest of any person or entity involved in the Issue which is material to the Issue or the offering of the Bonds.

**13.2 Advisers in connection with the issue of securities**

The Arranger is the Issuer's adviser in connection with the issue of the Bonds. The object of the contract of instructions for securing the issue of the Bonds concluded between the Issuer and the Arranger is the exclusive authorization of the Arranger, under the terms and conditions set out in this contract, to secure the issue of the intended issue of the Bonds of the Issuer on behalf of the Issuer and on the Issuer's behalf, whereby the Arranger performs activities solely within the meaning of Section 6(2)(f) of the Securities Act.

The Arranger has engaged the services of Allen Overy Shearman Sterling s.r.o. as transactional counsel in arranging the issuance of the Bonds and in the preparation of this Prospectus.

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### **13.3 Audit of information**

Save for the Issuer's Financial Statements incorporated by reference in this Prospectus, no other information relating to the Issuer set out in this Prospectus has been audited. The auditor has not audited the Prospectus as a whole.

All financial information of the Issuer included in the Prospectus is derived from the Issuer's Financial Statements.

### **13.4 Expert and third party information**

In article 2.3 of the Prospectus entitled "Risk Factors Relating to the Bonds", the Issuer has used publicly available information published by the Statistical Office of the Slovak Republic on the website [www.statistics.sk](http://www.statistics.sk).

The Issuer confirms that the information sourced from third parties has been accurately reproduced and to the best of the Issuer's knowledge no facts have been omitted which would render the reproduced information inaccurate or misleading. However, the Issuer cannot guarantee the accuracy and correctness of such reproduced information. The Prospectus does not use statements or reports attributed to a particular person as an expert.

### **13.5 Credit and indicative ratings**

Neither the Issuer nor the Bonds have been rated by any rating agency nor are they expected to be rated for the purposes of this Issue.

### **13.6 Language of the Prospectus**

This Prospectus has been prepared and approved by the NBS in the Slovak language. For the purposes of the public offering in the Czech Republic, the Prospectus has been translated into English, including a summary.

If this Prospectus is translated into another language, in the event of an interpretive conflict between the Slovak language version of the Prospectus and the Slovak language version of the Prospectus, the Slovak language version of the Prospectus shall prevail.

### **13.7 Rounding**

Certain values in this Prospectus have been adjusted by rounding. This means, among other things, that values quoted for the same item of information may differ slightly in different places and the values quoted as the sum of certain values may not be the arithmetic sum of the underlying values.

### **13.8 Presentation of financial information**

Unless otherwise stated, the financial information in this Prospectus:

- (a) relating to the Issuer have been derived from the Issuer's Financial Statements, i.e. the audited financial statements as of 31 December 2023 prepared in accordance with Slovak Accounting Standards (SAS) together with the relevant notes;
- (b) relating to the Allwyn Group, i.e. Allwyn AG and its subsidiaries and entities that are accounted for by Allwyn using the equity method, have been derived from the Allwyn Financial Statements, i.e. the audited consolidated financial statements of Allwyn as of 31 December 2023 (with comparative figures as of 31 December 2022), together with the related notes;



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- (c) relating to KKCG AG and its direct and indirect subsidiaries have been derived from the audited consolidated financial statements of KKCG AG as of 31 December 2023 (with comparative figures as of 31 December 2022) together with the related notes.

The financial year of Allwyn and KKCG AG ends on 31 December and references in this Prospectus to any particular year refer to the 12-month period ending 31 December of that year. The financial statements of the Issuer and Allwyn should be read in conjunction with the relevant notes and reports of the independent auditors. The financial statements of Allwyn have been prepared in accordance with IFRS, International Financial Reporting Standards as issued by the International Accounting Standards Board. The financial statements of KKCG AG have been prepared in accordance with IFRS as adopted by the European Union.

### **13.9 Forward-looking statements**

Certain statements in this Prospectus may be deemed to be "forward-looking statements". Forward-looking statements include statements regarding the plans, intentions, goals, objectives, strategies and future activities and performance of the Issuer, the Allwyn Group or the KKCG Group and the assumptions underlying those forward-looking statements. The Issuer uses the words "anticipates," "estimates," "expects," "believes," "intends," "plans," "may," "is expected," "will," "will continue," "should," "would," "would be," "seeks," "approximates," "predicts," "projects" or "aims" and other similar expressions to identify forward-looking statements. This includes, but is not limited to, statements containing information about future financial results, plans or expectations regarding the Allwyn Group's or the KKCG Group's business, their future growth or profitability and general economic and regulatory conditions and other matters affecting the Allwyn Group or the KKCG Group.

Forward-looking statements reflect the Issuer's current views on future events. They are based on assumptions made by Allwyn Group or KKCG Group and involve known and unknown risks, uncertainties and other important factors that could cause Allwyn Group's or KKCG Group's circumstances or results, performance or achievements to differ materially from any future circumstances, results, performance or achievements expressed or implied by such statements. The existence or absence of an assumption could cause the actual financial condition and results of the Allwyn Group or the KKCG Group to differ materially from such forward-looking statements or to be inconsistent with any such expectations expressed or implied. The business of the Allwyn Group or the KKCG Group is subject to a number of risks and uncertainties that could also cause forward-looking statements, estimates or forecasts to be inaccurate.

Forward-looking statements are current only as of the date of this Prospectus. Accordingly, unless required by the Prospectus Regulation and other applicable regulations, the Issuer is under no obligation and does not intend to update or revise any forward-looking statements contained in this Prospectus, whether as a result of new information, future events or otherwise. All other written or oral forward-looking statements attributable to the Issuer or persons acting on its behalf are expressly qualified in their entirety by the cautionary statements contained in this Prospectus. As a result of these risks, uncertainties and assumptions, a prospective purchaser of the Bonds should not place undue reliance on these forward-looking statements.

### **13.10 Warnings**

**Prospective investors should make their own assessment (or consult their own advisers) as to the suitability of investing in the Bonds. Investing in the Bonds involves risks. In particular, prospective investors should consider the risks described in 2 "Risk factors" above.**

Every investor should especially:

- (a) have sufficient knowledge and experience to value the Bonds and the benefits and risks of an investment in the Bonds and should be able to evaluate the information contained in this

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Prospectus and any supplements thereto (whether such information is set out directly or by reference in the documents referred to above);

- (b) have knowledge of and access to appropriate analytical tools for valuing investments in the Bonds and be able to assess the impact of an investment in the Bonds on their financial position and/or their overall investment portfolio, always in the context of their particular financial situation;
- (c) have sufficient funds and liquidity to be prepared to bear all risks associated with an investment in the Bonds, including possible fluctuations in the value of the Bonds;
- (d) be aware that if a loan or borrowing is used to finance the purchase of the Bonds, a situation may arise in which the cost of the loan or borrowing exceeds the proceeds of the Bonds; a prospective investor should not assume that he or she will be able to repay the loan or borrowing, or the related interest thereon, out of the proceeds of an investment in the Bonds;
- (e) fully understand the Terms and Conditions and this Prospectus and be familiar with the behaviour or development of any relevant indicator or financial market; and
- (f) be able to assess (either alone or with the help of a financial adviser) possible scenarios for the future development of the economy, interest rates or other factors that may affect their investment and their ability to bear potential risks.

All reasonable care has been taken in presenting information derived from internal estimates and analyses, but the Issuer cannot guarantee the accuracy of such information. . Any assumptions or projections regarding the future development of the Issuer's, the Allwyn Group's or the KKCG Group's financial condition, range of business activities or market position should not be regarded as a representation or binding promise by the Issuer regarding future events or results, given that such future events and results depend on circumstances and events beyond the control of the Issuer, in whole or in part. Investors interested in purchasing the Bonds should make their own analysis of any developments or outlooks set out in this Prospectus and base their investment decisions on the results of such separate analyses.

**The NBS has approved this Prospectus as meeting the standards of completeness, clarity and consistency set out in the Prospectus Regulation. Such approval should not be regarded as an endorsement by the Issuer or as an endorsement of the quality of the Bonds which are the subject of this Prospectus.**

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**14. DOCUMENTS INCORPORATED BY REFERENCE**

Information from the following documents is incorporated by reference into the Prospectus:

- (a) Issuer's Financial Statements, which are available at the following hyperlink:

[https://cdn.kkcg.com/KKCG\\_Financing\\_2\\_uctovna\\_zavierka\\_2023\\_slovensky\\_original\\_53292b4067.pdf](https://cdn.kkcg.com/KKCG_Financing_2_uctovna_zavierka_2023_slovensky_original_53292b4067.pdf) (in Slovak language)

[https://cdn.kkcg.com/KKCG\\_Financing\\_2\\_a\\_s\\_financial\\_statements\\_2023\\_ENG\\_translation\\_ed6edc1102.pdf](https://cdn.kkcg.com/KKCG_Financing_2_a_s_financial_statements_2023_ENG_translation_ed6edc1102.pdf) (in English)

- (b) Allwyn's consolidated financial statements for the years ended 31 December 2023 and 31 December 2022, prepared in accordance with IFRS, together with the report of PricewaterhouseCoopers Audit, s.r.o., Czech Republic, on those financial statements (the **Allwyn Financial Statements**), which is available at the following hyperlink:

[https://cdn.kkcg.com/Allwyn\\_AG\\_Konsolidovana\\_uctovna\\_zavierka\\_Audit\\_Report\\_2022\\_2023\\_slovensky\\_preklad\\_bfeedcbd1c.pdf](https://cdn.kkcg.com/Allwyn_AG_Konsolidovana_uctovna_zavierka_Audit_Report_2022_2023_slovensky_preklad_bfeedcbd1c.pdf) (in Slovak language)

[https://cdn.kkcg.com/Allwyn\\_AG\\_consolidated\\_financial\\_statements\\_2022\\_2023\\_ENG\\_original\\_662e8d3765.pdf](https://cdn.kkcg.com/Allwyn_AG_consolidated_financial_statements_2022_2023_ENG_original_662e8d3765.pdf) (in English)

The Prospectus should be read and interpreted in conjunction with the information in the Issuer Financial Statements and the Allwyn Financial Statements.

The Issuer's Financial Statements are available in Slovak and English, including the auditor's report of PricewaterhouseCoopers Slovensko, s.r.o. The English version of the Issuer's Financial Statements is a translation of the original Slovak version of this document.

Allwyn's financial statements are available in Slovak and English, including the auditor's report of PricewaterhouseCoopers Audit, s.r.o., Czech Republic. The Slovak version of the Allwyn Financial Statements is a translation of the original English version of this document.

The Issuer is responsible for the translation of the Allwyn Financial Statements (including the auditor's report of PricewaterhouseCoopers Audit, s.r.o., Czech Republic) into the Slovak language and for the translation of the Issuer's Financial Statements (including the auditor's report of PricewaterhouseCoopers Slovensko, s.r.o.) into the English language and represents that they are accurate and not misleading translations of the Slovak and English versions, respectively, in all material respects.

**The information contained on the website referred to in the Prospectus does not form part of the Prospectus and has not been reviewed or approved by the NBS, except for the documents deemed to be incorporated by reference as set out in this section of the Prospectus.**

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**15. AVAILABLE DOCUMENTS**

The following documents are available free of charge in electronic form in a dedicated area of the Issuer's website <https://investors.kkcg.com/> until the maturity of the Bonds:

- (a) the Prospectus and any updates thereto in the form of amendments to the Prospectus (if any);
- (b) the Deed of Incorporation and the current version of the Issuer's Articles of Association;
- (c) Minutes of Meetings (if any);
- (d) any notices to Bondholders (if any);
- (e) the financial statements incorporated by reference in this Prospectus; and
- (f) during the term of validity of the Prospectus, all documents the information from which is incorporated by reference in the Prospectus.

The Prospectus is also available free of charge to all investors in electronic form in a dedicated part of J&T BANKA's website [www.jtbanka.sk](http://www.jtbanka.sk), in the section "Užitočné informácie", section "Dôležité a povinné informácie", section "Emisie cenných papierov".

The Prospectus is also available free of charge to all investors in electronic form in a dedicated section of the UCB website, for the Slovak Republic at [www.unicreditbank.sk](http://www.unicreditbank.sk), in the section "Veľké firmy", section "Kapitálové trhy" and for the Czech Republic at [www.unicreditbank.cz](http://www.unicreditbank.cz), in the section "Veľké firmy", section "Operace na kapitálovém trhu".

The information on the Issuer's or the Joint Lead Managers' website does not form part of the Prospectus, except where that information is incorporated by reference into the Prospectus. **The information on these websites has not been reviewed or approved by the NBS.**

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**16. LIST OF DEFINITIONS, TERMS AND ABBREVIATIONS USED**

In addition to the terms defined for the purposes of the conditions in article 28 of the Conditions (whereby the definitions set out therein shall prevail for the purposes of the Terms and Conditions), the following definitions and abbreviations are used in particular in the Prospectus:

**Administrator** means J&T BANKA, a.s., acting through the organisational component J&T BANKA, a.s., a branch of a foreign bank in the role of administrator;

**Security Agent** means J&T BANKA, a.s., acting through its organisational component J&T BANKA, a.s., a branch of a foreign bank, in the role of security agent;

**Shares** have the meaning set out in the article 2.4 of the Prospectus;

**Allwyn** means Allwyn AG, a company existing under the laws of Switzerland with registered office at Mühlenplatz 9, 6004 Lucerne, Switzerland, identification number CHE-366.705.452.

**Allwyn International** or **AIAS** means Allwyn International, a.s., with its registered office at Evropská 866/71, Vokovice, 160 00 Prague 6, Czech Republic, ID No.: 242 87 814, LEI: 3157001WZJ5O35EAL536, registered in the Commercial Register maintained by the Municipal Court in Prague, File No. B 18161;

**AML** has the meaning given in the article 2.2 of the Prospectus;

**Arranger** means J&T IB and Capital Markets, a.s., with its registered office at Sokolovská 700/113a Karlín, 186 00 Prague 8, Czech Republic, ID No.: 24766259, registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert 16661;

**BSE** means the company Burza Securities v Bratislave, a.s., with registered office at Vysoká 17, 811 06 Bratislava, Slovak Republic, ID No.: 00 604 054, registered in the Commercial Register of the District Court Bratislava I, Section: Sa, Insert No. 117/B;

**CAI** has the meaning given in paragraph 4.11(a) of the Prospectus;

**Camelot UK** has the meaning given in the article 2.2 of the Prospectus;

**CASAG** has the meaning given in the article 2.2 Prospectus;

**CSD** means the company Centrálny depozitár cenných papierov SR, a.s., with its registered office at ul. 29. augusta 1/A, 814 80 Bratislava, Slovak Republic, ID No.: 31 338 976, registered in the Commercial Register kept by the Municipal Court Bratislava III, Section Sa, Insert No. 493/B;

**Foreign decision** has the meaning given in article 12 Prospectus;

**CNB** means the Czech National Bank.

**VAT group members** has the meaning given in article 2.2 Prospectus;

**Delegated Prospectus Regulation** means 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, review and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market;

**Partial Early Redemption Date at the option of the Issuer** shall have the meaning set out in paragraph 17.3(a) Terms and Conditions;

**Final maturity date** has the meaning given in paragraph 17.1(a) of the Terms and Conditions;

**Early Redemption Date** has the meaning given in paragraph 19.4(a) of the Terms and Conditions;

**Early Redemption Date at the Option of the Issuer** shall have the meaning set out in paragraph 17.3(a) of the Terms and Conditions;

**Bond Issue Date** or **Issue Date** shall have the meaning set forth in 3.3 of the Terms and Conditions;

**Payment Date** has the meaning given in paragraph 18.2(a) of the Terms and Conditions;

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**Bonds or Issue** means the Bonds issued by the Issuer pursuant to this Prospectus;

**Issue price** has the meaning given in article 2.5 of the Terms and Conditions;

**Issuer** means KKCG Financing 2 a.s., with its registered office at Dúbravská cesta 14, 841 04 Bratislava, Slovak Republic, ID No.: 55 970 494, registered in the Commercial Register kept by the Municipal Court Bratislava III, Section: Sa, Insert No.: 7635/B, LEI: 097900CAKA0000199795;

**ENJASA** has the meaning given in paragraph 4.11(a) of the Prospectus;

**The euro, or euro**, stands for the single currency of the European Union;

**GDPR** has the meaning given in article 2.2 of the Prospectus;

**GGR** has the meaning given in the article 4.5 of the Prospectus;

**The Hague Agreement on Apostille** means the Convention on the Abolition of the Requirement of Higher Authentication of Foreign Public Documents of 5 October 1961;

**ICSID** stands for International Centre for Settlement of Investment Disputes;

**IFRS** means International Financial Reporting Standards, formerly known as International Accounting Standards (IAS), as adopted by the EU or, in relation to Allwyn AG, as issued by the International *Accounting* Standards Board ;

**Instruction** has the meaning given in paragraph 18.4(b) Terms and Conditions;

**J&T BANKA** means J&T BANKA, a.s., with its registered office at Sokolovská 700/113a Karlín, 186 00 Prague 8, Czech Republic, ID No.: 471 15 378, registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert No. 1731, acting through the organisational component **J&T BANKA, a.s.**, as the case may be, **branch of a foreign bank**, with registered office at Dvořákovo nábřeží 8, 811 02 Bratislava, Slovak Republic, ID No.: 35 964 693, registered in the Commercial Register kept by the Municipal Court Bratislava III, Section Po, Insert No. 1320/B;

**Listing Agent** has the meaning set out in article 22.1 of the Terms and Conditions;

**Crisis** has the meaning given in article 2.1 of the Prospectus;

**Qualified person** has the meaning given in paragraph 10.12(a) of the Terms and Conditions;

**LottoItalia** has the meaning given in article 2.2 of the Prospectus;

**Bondholder** means the person who is registered as the owner of a Bond in the relevant Register;

**Intercreditor Agreement** shall have the meaning given in article 4.13 of the Prospectus;

**Investor currency** shall have the meaning set out in article 2.3 of the Prospectus;

**Nominal value** has the meaning given in article 3.2 of the Terms and Conditions;

**MiFID II** means Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments amending Directive 2002/92/EC and Directive 2011/61/EU, as amended;

**Brussels I Regulation (recast)** means Regulation (EU) No 1215/2012/EC of the European Parliament and of the Council of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (recast);

**Prospectus Regulation** means 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;

**NBS or National Bank of Slovakia** means a legal entity established by Act No 566/1992 Coll., on the National Bank of Slovakia, or any of its legal successors in accordance with the legislation of the Slovak Republic;

**Civil Code** means Act No. 40/1964 Coll., the Civil Code, as amended;



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- Commercial Code** means Act No. 513/1991 Coll., the Commercial Code, as amended;
- Similar Proceedings** shall have the meaning given in paragraph 19.1(d)(i) of the Terms and Conditions;
- OPAP** has the meaning given in article 2.2 Prospectus;
- Authorised Person** has the meaning given in paragraph 18.3(a) of the Terms and Conditions;
- Person entitled to attend the Meeting** has the meaning given in paragraph 25.4(a) of the Terms and Conditions;
- Terms and Conditions** mean article 9 of the Prospectus, which supersedes the Terms and Conditions of the Bonds;
- PPF banka** means PPF banka, a.s., with registered office at Evropská 2690/17, 16041 Prague 6, ID No.: 47116129, registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert No.: 1834;
- Business day** has the meaning given in the paragraph 18.2(c) of the Terms and Conditions;
- Chairman of the Meeting** has the meaning given in paragraph 25.5(b) of the Terms and Conditions;
- Event of Default** has the meaning given in article 19.1 of the Terms and Conditions;
- Relevant Records** means the records of Bondholders in respect of the Bonds maintained by the CSD or a member of the CSD or the internal records of the person registering the Bondholders whose Bonds are registered in the Holder Account;
- Prospectus** means this prospectus dated 6 September 2024;
- Austrian lotteries** has the meaning given in article 2.2 of the Prospectus;
- Record Date** shall have the meaning given in paragraph 18.3(b) of the Terms and Conditions;
- Meeting Attendance Record Date** has the meaning set out in paragraph 25.4(a) of the Terms and Conditions;
- SAS** means Slovak Accounting Standards according to Act No. 431/2002 Coll. on Accounting as amended and related implementing regulations;
- Meeting** has the meaning given in paragraph 25.1(a) of the Terms and Conditions;
- SDAVCIC** has the meaning given in the article 5.1 of the Prospectus;
- SKAU** has the meaning given in article 1.2 of the Prospectus;
- Allwyn Group** means Allwyn and its subsidiaries and other entities accounted for by Allwyn under the *equity method of investees*.
- KKCG** has the meaning given in article 2.1 of the Prospectus;
- Joint and Several Debt** has the meaning given in paragraph 10.2(a) of the Terms and Conditions;
- Related Obligation** has the meaning given in article 2.3 of the Prospectus;
- Stoiximan** has the meaning given in article 2.2 of the Prospectus;
- Synthetic lottery** has the meaning given in article 2.2 of the Prospectus;
- Market interest rate** has the meaning given in article 2.3 of the Prospectus;
- UCB** means UniCredit Bank Czech Republic and Slovakia, a.s., with its registered office at Želetavská 1525/1, 140 92 Prague 4, ID No.: 649 48 242, registered in the Commercial Register maintained by the Municipal Court in Prague, File: B 3608, LEI: KR6LSKV3BTSJRD41IF75, which operates in the Slovak Republic through a branch of UniCredit Bank Czech Republic and Slovakia, a.s., 47 251 336, registered in the Commercial Register kept by the Municipal Court Bratislava III, Section Po, Insert No.: 2310/B.
- UKNL** has the meaning given in article 5.1 of the Prospectus;

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**Specified Office** has the meaning given in article 21.1 of the Terms and Conditions;

**Allwyn's Financial Statements** have the meaning set out in paragraph 14(b) Prospectus;

**Issuer's Financial Statements** shall have the meaning set out in 4.1 of the Prospectus;

**Joint Lead Managers**, or each individually as a **Joint Lead Manager**, means J&T BANKA, UCB and PPF banka in the capacity of Joint Lead Managers;

**VLT** has the meaning given in article 2.2 of the Prospectus;

**Excluded Persons** has the meaning given in paragraph 25.4(b) of the Terms and Conditions;

**Security** has the meaning given in paragraph 10.1(c) of the Terms and Conditions;

**Securities Act** means Act No. 566/2001 Coll., on Securities and Investment Services, as amended;

**Income Tax Act** means Act No. 595/2003 Coll., on Income Tax, as amended;

**Bond Act** means Act No. 530/1990 Coll., on Bonds, as amended;

**Act on Bankruptcy** means Act No. 7/2005 Coll., on Bankruptcy and Restructuring, as amended;

**Agreement with the Administrator** means the contract entered into between the Issuer and the Administrator in respect of the performance of the Administrator's functions;

**Request** shall have the meaning set out in paragraph 25.6(a) of the Terms and Conditions; and

**Meeting Convocation Request** has the meaning set out in paragraph 19.2(b) of the Terms and Conditions.

**BUSINESS NAMES AND ADDRESSES**

**EMITENT**

**KKCG Financing 2 a.s.**

Dúbravská cesta 14  
841 04 Bratislava  
Slovak Republic

**JOINT LEAD MANAGERS**

**J&T BANKA, a.s.**

Sokolovská 700/113a  
Karlín, 186 00 Prague 8  
Czech Republic

operating in the Slovak Republic through

**J&T BANKA, a.s. branch of a foreign bank**

Dvořák's Embankment 8  
811 02 Bratislava, Slovak Republic

**PPF banka, a.s.**

European 2690/17  
160 41 Prague 6  
Czech Republic

**UniCredit Bank Czech Republic and Slovakia, a.s.**

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