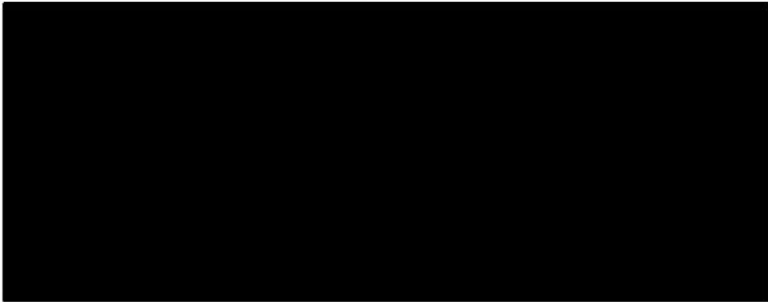


For the sake of transparency, we are notifying you that VTB Bank (Europe) SE, an affiliate of VTB Bank, and Sberbank CZ, a.s., an affiliate of Sberbank, are lenders under SAZKA Group a.s.'s senior facilities agreement dated 16 December 2020. Both VTB Bank and Sberbank have been named as sanctioned entities under UK and EU sanctions. SAZKA Group is continuing to assess with its advisors and with the agent under the senior facilities agreement the consequences of these sanctions and expects to terminate these lenders' participations in the senior facilities agreement in a manner that complies with all applicable laws. For the avoidance of doubt, this does not in any way impact the financial resources set out in our Application.



From: [REDACTED]
To: [REDACTED]
Cc: [REDACTED]
Subject: Confidential response from Applicant 6 - Applicant Note - Sanctions
Date: 28 February 2022 15:56:00
Attachments: [REDACTED]

Subject

Re: Applicant Note - Sanctions

Dear 4NLC Team,

Please find attached our response to the Commission's note regarding sanctions.

Kind regards

Allwyn Team



GAMBLING
COMMISSION

[REDACTED]
Gambling Commission
21 Bloomsbury Street
London
WC1B 3HF



2 March 2022

[REDACTED]
Gambling Commission
Victoria Square House
Victoria Square
Birmingham
B2 4BP

Fourth National Lottery Licence - UK/EU Sanctions on Russia

Dear [REDACTED]

Further to our letter to you dated 28 February 2022 and discussions I had earlier today with [REDACTED] I wanted to provide you with a further update regarding our plans to unwind and terminate certain lending relationships in compliance with applicable sanctions laws.

As we wrote to you in our 28 February letter, German and Czech affiliates, respectively, of VTB Bank and Sberbank, which are subject to recent UK and EU sanctions, are lenders under SAZKA Group a.s.'s senior facilities agreement dated 16 December 2020. We intend to repay these participations (which amount to €63.1 million, out of total gross debt outstanding at SAZKA Group a.s. of €2.0 billion as of 28 February 2022) as soon as possible and in any event prior to 26 March 2022. We have been advised by Clifford Chance LLP, our legal counsel, that such repayments would be in compliance with UK and EU sanctions laws. Following repayment, SAZKA Group a.s. would no longer have any lending or other relationships with any entities subject to UK or EU sanctions.

We would like to reiterate that the above has no bearing whatsoever on the financial resources put in place in respect of Allwyn Entertainment Ltd (our Proposed Licensee) as described in our Application.

[REDACTED]

“Mr. Komarek has been a very public critic of the Russian President, last week making an impassioned public statement condemning his actions and predicting that the Russian invasion of Ukraine signifies the beginning of the end of his regime. On Russia’s invasion of Ukraine, Mr Komarek immediately instructed his family foundation and all companies across his group to actively help Ukrainian people on a daily basis with financial and humanitarian aid. In Prague, one of Allwyn Entertainment’s buildings is being repurposed as a refugee centre for displaced Ukrainians.

“To portray Mr. Komarek in any way as an apologist for, or supporter of the Russian regime would be to ignore these facts and demonstrates a total lack of understanding of Czech-Russian history and ignorance of Mr. Komarek’s personal experience of growing up under the repression of Soviet occupation of his country. He remembers the sight of the Russian tanks and soldiers on the streets all too well.

“Mr Komarek has been investing heavily into Ukraine in recent years having long been alive to the realities of the Russian regime. He took the decision many years ago to divest and exit from Russian assets with the exception of a 50/50 joint-venture with Gazprom. This JV was maintained to ensure an important Czech energy asset was not subject to full Russian control, however since Russia’s invasion of Ukraine Mr Komarek has approached the Czech Government to discuss how to maintain Czech control of this critical national asset, while removing Gazprom from the JV.”

Notes to editors:

1. Both the joint venture between MND and Gazprom and the press releases relating to it are historic, from over 9 years ago. They are not an indication as to Mr Komarek’s current intentions or business strategies.
2. Full disclosure has been given to the Gambling Commission regarding all of Mr Komarek’s business interests and no issues have been raised.
3. MND is an entirely separate corporate entity from the company bidding for the National Lottery.

Ukraine:

- In 2019, KKCG subsidiary MND exited from all oil exploration assets in Russia
- In cooperation with the Karel Komárek Family Foundation the Group has sent humanitarian aid supply convoys to Ukraine
- Group building in Prague has recently been repurposed into a Ukraine refugee support centre
- MND’s first investment in Ukraine was made in 2014
- MND total investment into E&P activities in Ukraine is 40 USDm
- KKCG have invested 10 EURm so far into ORIV wind park project
- Number of our Ukrainian employees = 38

From: [REDACTED]
To: [REDACTED]
Cc: [REDACTED]
Subject: Confidential response from Applicant 6 - Sanctions letter - Urgent
Date: 04 March 2022 15:43:00
Attachments: [REDACTED]

Dear 4NLC Team,

Please find attached our letter in response to [REDACTED] letter dated 3rd March 2022, [REDACTED]
[REDACTED]

Kind regards

Allwyn team



GAMBLING
COMMISSION

[REDACTED]
Gambling Commission
21 Bloomsbury Street
London
WC1B 3HF

[REDACTED]

4 March 2022

[REDACTED]
Gambling Commission
Victoria Square House
Victoria Square
Birmingham
B2 4BP

Fourth National Lottery Licence (the "Licence") - Sanctions on Russia

Dear [REDACTED]

We are writing in response to your letter dated 3 March 2022. Capitalised terms used and not otherwise defined in this letter have the respective meanings ascribed to them in your letter.

As described below, SAZKA Group a.s. ("**SAZKA Group**") will terminate its lending relationships with a German affiliate of VTB Bank and a Czech affiliate of Sberbank by the week commencing 14 March. Upon the prepayment of these lenders' participations in SAZKA Group's senior facilities agreement dated 16 December 2020 (the "**SFA**"),¹ [REDACTED]

1. Steps being taken to address and resolve the Identified Issue

Further to our 2 March letter, SAZKA Group has already initiated the process to repay and cancel the participations of VTB Bank (Europe) SE and Sberbank CZ, a.s. under its SFA on an urgent basis and in any event prior to 26 March 2022. While Sberbank is not at present the subject or the target of UK or EU sanctions that would prohibit it from participating in the SFA, SAZKA Group's Board of Directors is committed to sever all connections with both of these institutions with the utmost urgency. [REDACTED]

¹ SAZKA Group Financing (Czech Republic) a.s., a direct, wholly owned subsidiary of SAZKA Group a.s., is the original borrower under the SFA. This entity does not have any direct or indirect beneficial ownership of the Proposed Licensee.

- [Redacted]

- [Redacted]

- [Redacted]

- [Redacted]

[Redacted]

[Redacted]

Repayment of the VTB Bank (Europe) SE and Sberbank CZ, a.s. participations under SAZKA Group's SFA as described under Part 1 above will not have a material impact on the group's liquidity. SAZKA Group's financial condition remains very strong, with all of our businesses

generating healthy cash flows, which provides the group with flexibility as to our capital resources.

[REDACTED]

[REDACTED]

We would, of course, be happy to provide you with any further information you require in connection with the foregoing.

[REDACTED]

[REDACTED]

[REDACTED]

From: [REDACTED]
To: [REDACTED]
Cc: [REDACTED]
Subject: Re: Media mis-information
Date: 05 March 2022 14:58:27

That's useful to know. Thanks for the update [REDACTED]

[REDACTED]

Sent from my iPhone

On 4 Mar 2022, at 17:42, [REDACTED]
[REDACTED]@allwynent.com> wrote:

CAUTION: This email is from an external source - be careful of attachments and links

Further to this email to you earlier, the Times have taken their article down.

Thanks

[REDACTED]

From: [REDACTED]
Sent: 04 March 2022 17:17
To: [REDACTED] <[REDACTED]@gamblingcommission.gov.uk>; [REDACTED] <[REDACTED]@gamblingcommission.gov.uk>
Cc: [REDACTED] <[REDACTED]@gamblingcommission.gov.uk>; [REDACTED] <[REDACTED]@allwyn.co.uk>; [REDACTED] <[REDACTED]@allwyn.co.uk>
Subject: Media mis-information

Hi [REDACTED] Hi [REDACTED]

Further to my email on Wednesday, it's clear that angles about Mr Komarek which are fundamentally inaccurate continue to be pedaled to media. The Times did not contact us at all before writing the article which they published this morning which paints a picture that is polar opposite to the facts – namely by saying he has courted business in Russia for the last 10 years, when in fact he has been divesting out of Russia in this time and has been investing in Ukraine since 2014.

In light of this, Mr Komarek has issued a letter to set the record straight – you can find the letter here. [A letter to the people of the United Kingdom from the Founder of KKCG, Owner of Allwyn Entertainment](#)

[REDACTED] at the Telegraph has also been in touch asking for information about our divestment out of Russia which we have explained to him.

Thank you.

From: [REDACTED]
To: [REDACTED]
Cc: [REDACTED]
Subject: FW: Telegraph article
Date: 09 March 2022 14:40:14

CAUTION: This email is from an external source - be careful of attachments and links

The Telegraph have just come back to us – please see below. In case you are not aware, the Czech President is known as a supporter and mouthpiece for Putin. The Czech Republic has a parliamentary not a presidential system. Hence it was totally disingenuous of [REDACTED] to have brought in a reference to the President when we had explained that there were discussions with the government. By association it was trying to paint a picture that is a totally false one. We raised this with [REDACTED] and the Telegraph legal team agreed.

We are pleased with this response, even if we know a lot of damage was done along the way.

Thanks

[REDACTED]

GAMBLING COMMISSION

15 March 2022

██████████
Allwyn
1 Connaught Place
London
W2 2ET

By email: ██████████ [@sazkagroup.com](mailto:██████████@sazkagroup.com)

Dear ██████████

RE: Sanctions - Company Shareholding and Joint Venture

I write further to the email sent by ██████████ to ██████████ and ██████████ at 17:17 on 4 March 2022.

██████████ provided a link to the letter issued by Mr Karel Komarek entitled: “A letter to the people of the United Kingdom from the Founder of KKCG, Owner of Allwyn Entertainment”.

This open letter contained the following statement in relation to decisions: “many years ago to divest and exit from Russian assets with the exception of a shareholding in a gas terminal which we have been trying to exit for a number of years and a 50/50 joint-venture with Gazprom on an underground gas storage facility in the Czech Republic. This JV has been maintained, at the request of the Czech Government, to ensure an important Czech energy asset was not subject to full Russian control. There are very few options to fully divest from Russian gas in Eastern Europe. What we want to do is free ourselves from Russian involvement without putting ordinary Czech citizens at risk, in the middle of winter, and discussions are ongoing with the Czech government on how to remove Gazprom from the JV.”

While the Commission does not regard either this shareholding or the joint venture as relevant to the Allwyn Entertainment Ltd Application to run the Fourth National Lottery Licence, it is likely that, as a consequence of this morning’s announcement of Allwyn as the Preferred Applicant, there will be increased political and media interest in both of these arrangements.



Victoria Square House
Victoria Square
Birmingham B2 4BP

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I should, therefore, be grateful if you would provide me with an up-to-date statement, by 5pm on 16th March, in relation to both the shareholding and the joint venture, and undertake to providing the Commission with further updates, as appropriate.

Yours sincerely

[Redacted signature]

[Redacted name]

[Redacted title]

4th National Lottery Licence Competition

From: [REDACTED] on behalf of [REDACTED]
To: [REDACTED] [\[REDACTED\]@sazkagroup.com](mailto:[REDACTED]@sazkagroup.com)
Cc: [REDACTED]
Subject: Letter from [REDACTED] Sanctions - Company Shareholding and Joint Venture
Date: 15 March 2022 11:02:00
Attachments: [REDACTED]

Dear [REDACTED]

Please find attached a letter from [REDACTED], SRO 4th National Lottery Licence Competition, with regard to current sanctions.

Kind regards

[REDACTED]



GAMBLING
COMMISSION

[REDACTED]

4th National Lottery Licence Competition
Gambling Commission
21 Bloomsbury Street
London
WC1B 3HF

[REDACTED]