

INTRALOT Group

ANNOUNCEMENT OF FINANCIAL RESULTS

**for the six-month period
ended June 30th, 2024**

intralot



“INTRALOT announces Revenue at €173.6m and EBITDA at €59.5m in 1H24”

August 30th, 2024

INTRALOT SA (RIC: **INLr.AT**, Bloomberg: **INLOT GA**), an international gaming solutions and operations leader, announces its financial results for the six-month period ended June 30th, 2024, prepared in accordance with IFRS.

OVERVIEW

- › Group Revenue at €173.6m in 1H24 (-0.9% y-o-y, including the impact of €-10.3m due to the exchange rate movement in Argentina within December 2023).
- › EBITDA at €59.5m (-5.3% y-o-y) in 1H24, with EBITDA margin reaching 34.3%.
- › EBT in 1H24 shaped at €6.1m and NIATMI (Net Income After Tax and Minority Interest) at €4.6m, higher by 4.4% vs. 1H23.
- › Operating Cash Flow at €45.0m in 1H24.
- › Group CAPEX in 1H24 was €11.7m.
- › Group Cash at the end of 1H24 at €85.4m.
- › Adjusted Net Debt at €338.2m at the end of 1H24, lower by €142.3m vs. 1H23.
- › Adjusted Net Leverage ratio at 2.7x in 1H24. In the respective period last year, Net Leverage ratio shaped at 3.7x.
- › On June 11, 2024, INTRALOT announced the successful migration of the British Columbia Lottery Corporation's (BCLC) retail lottery system to its innovative LotosX Omni ecosystem fully deployed on a Cloud technology stack. This achievement signifies a major milestone for INTRALOT in North America, while making BCLC one of the first lotteries in the world to adopt a fully cloud-based lottery system.
- › On August 26, 2024, INTRALOT S.A. announced the three-year contract extension of its subsidiary in The Netherlands, INTRALOT BENELUX B.V., with Nederlandse Loterij Organisatie B.V. (NLO) to continue providing operations and management services for TOTO retail sportsbook has been activated. TOTO is the sports betting brand of NLO and is operated through a retail network of 4,000 POS. The contract extension is through June 2027.
- › Also, on August 26, 2024, INTRALOT S.A. announced that its subsidiary in Ireland, INTRALOT Ireland Ltd., has signed a three-year (3) contract extension, through November 2027, with Premier Lotteries Ireland DAC (PLI). This extension allows INTRALOT to continue providing its advanced central gaming system for the operation of the National Lottery of Ireland through a retail network of more than 4,300 INTRALOT terminals, as well as serving mobile and web players.

Note:

Due to rounding, numbers presented throughout this, and other documents may not add up precisely to the totals.

Group Headline Figures

(in € million)	1H24	1H23	% Change	2Q24	2Q23	% Change	LTM
Revenue (Turnover)	173.6	175.3	-0.9%	88.5	85.8	3.1%	362.4
GGR	165.3	163.6	1.1%	83.6	80.2	4.2%	350.3
OPEX ¹	(55.1)	(46.7)	18.0%	(28.2)	(24.0)	17.4%	(122.5)
EBITDA²	59.5	62.8	-5.3%	29.4	29.1	1.0%	126.1
EBITDA Margin (% on Revenue)	34.3%	35.8%	-1.6pps	33.2%	33.9%	-0.7pps	34.8%
EBITDA Margin (% on GGR)	36.0%	38.4%	-2.4pps	35.2%	36.3%	-1.1pps	36.0%
Capital Structure Optimization expenses	(1.3)	-	-	(0.3)	-	-	(1.3)
D&A	(35.2)	(31.9)	10.4%	(17.7)	(15.8)	12.4%	(71.2)
EBT	6.1	16.3	-62.8%	0.7	5.4	-87.3%	23.3
EBT Margin (%)	3.5%	9.3%	-5.8pps	0.8%	6.3%	-5.5pps	6.4%
NIATMI	4.6	4.4	4.4%	0.7	1.3	-45.9%	6.0
Total Assets	583.2	576.3	-	-	-	-	-
Gross Debt	447.6	582.0	-	-	-	-	-
Net Debt	362.2	480.5	-	-	-	-	-
Net Debt (Adjusted) ³	338.2	480.5	-	-	-	-	-
Operating Cash Flow from total operations	45.0	49.8	-9.7%	17.9	12.6	42.2%	107.7
Net CAPEX	(11.7)	(14.1)	-17.2%	(4.8)	(6.9)	-30.0%	(27.3)

INTRALOT Chairman Sokratis P. Kokkalis noted:

"Half year results confirm the company's stable course and maintenance of key financial indicators at desired levels, in spite of FX headwinds and seasonality effects. Strengthened by the Group's improved financial position, the company continues to deploy and take live its new advanced lottery engine, Lotos X, and further developing the entire lottery technology ecosystem in developed markets such as Canada. At the same time, we are currently pursuing a large number of promising commercial opportunities in North America and Australia while renewing the trust and cooperation with existing important clients such as in The Netherlands and in Ireland"

¹ OPEX line presented excludes the capital structure optimization expenses.

² The Group defines "EBITDA" as "Operating Profit/(Loss) before tax" adjusted for the figures "Profit/(loss) from equity method consolidations", "Profit/(loss) to net monetary position", "Exchange Differences", "Interest and related income", "Interest and similar expenses", "Income/(expenses) from participations and investments", "Write-off and impairment loss of assets", "Gain/(loss) from assets disposal", "Reorganization costs" and "Assets' depreciation and amortization".

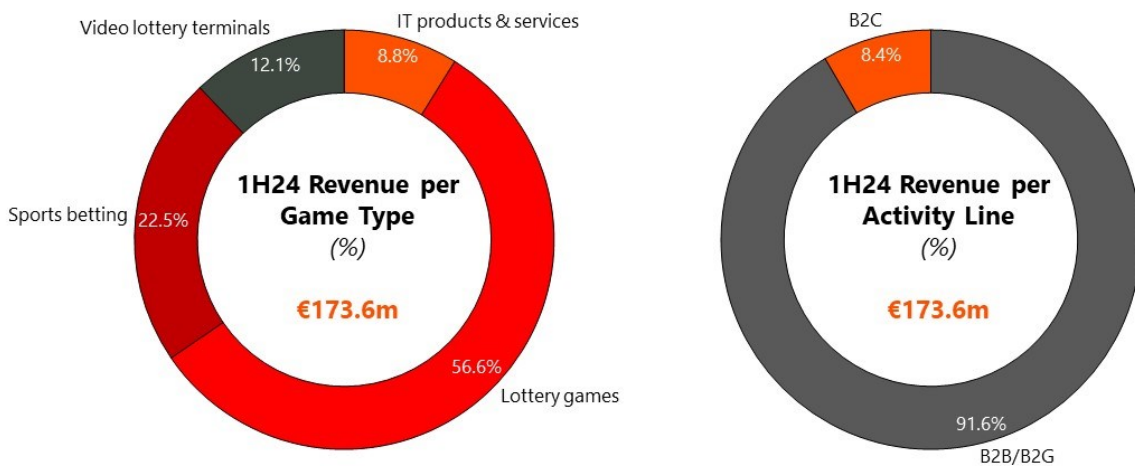
³ Net Debt (Adjusted) is defined as Net Debt excluding the impact from Restricted cash related to financing activities and Debt repayments.

OVERVIEW OF RESULTS

REVENUE

Reported consolidated **revenue** posted a slight decrease of €1.7m (or -0.9%) compared to 1H23, leading to a total revenue for the six-month period ended June 30th, 2024, of €173.6, including total negative impact of €-10.3m in Argentina, due to the exchange rate movement in December 2023.

- From a contribution perspective, Lottery Games remain our largest contributor to Group turnover with a share of 56.6%, followed by Sports Betting with a share of 22.5%, VLTs monitoring with a share of 12.1% and Technology contracts with a share of 8.8%.



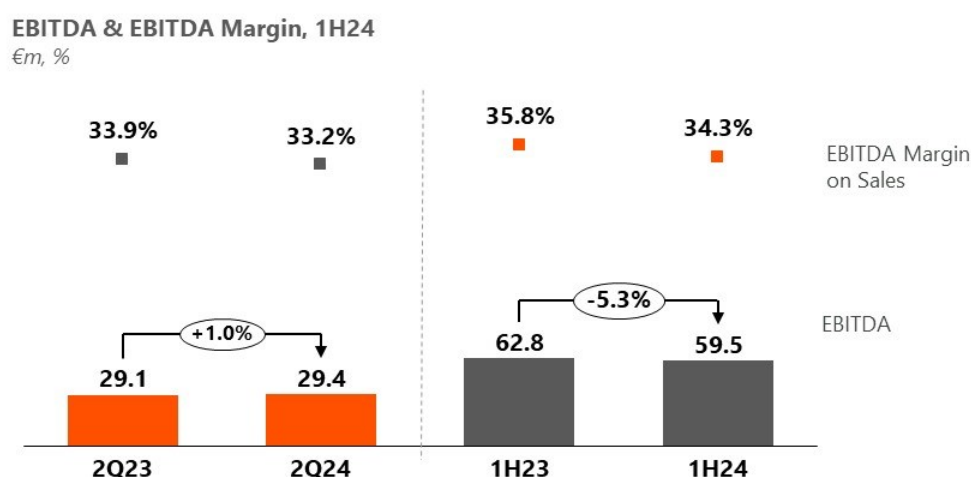
- Reported consolidated revenue for the six-month period is lower by €1.7m year over year. The main factors that drove top line performance are:
 - Lower revenue by €7.4m (or -33.6%) from our **Licensed Operations (B2C)** in **Argentina**. Overall, the macro environment in the country is the key driver for sales deficit. In local currency base, current year results posted a 131.4% y-o-y increase.
 - Increased revenue by €7.6m (or +25.4%) from our **Management (B2B/ B2G)** contracts driven by local market growth and market share gain in **Turkey**, despite the headwinds in Turkish lira (-19.5%). Turkish performance along with better sales in our **US** Sports Betting contracts, were in part counterbalanced by lower recorded revenue in **Morocco** as a result of the contract renewal which has a smaller contract value due to its limited scope.
 - Decreased revenue by €1.8m (or -1.5%) from our **Technology and Support Services (B2B/ B2G)** contracts mainly due to the FX currency translation in **Argentina** (€-2.9m) and the marginal lower sales in **US** (-0.9%) primarily affected by the unfavorable timing of jackpot occurrence. On the other hand, revenue decrease was partially offset by the organic growth in **Oceania** by 3.5% compared to the prior year.
- On a quarterly basis, revenue increased by 3.1% compared to 2Q23, leading to total revenue for the three-month period that started on April 1st, 2024, and ended on June 30th, 2024, of €88.5m. Increased revenue for the quarter (€+2.7m) is mostly driven by the sales surplus in Turkey, offsetting the adverse FX in Argentina and the lower scope of the contract in Morocco.

GROSS GAMING REVENUE & Payout

- Gross Gaming Revenue** (GGR) concluded at €165.3m in 1H24, posting an increase of 1.1% (or €+1.7m) year on year. The increase is primarily attributed to the improved top line contribution of our operations in Turkey, fully offsetting the FX impact in Argentina⁴. 1H24 Payout Ratio⁵ was higher by 4.1pps vs. 1H23 (65.3% vs. 61.2%). In 2Q24, GGR increased by 4.2% (or €+3.4m y-o-y).

OPERATING EXPENSES⁶ & EBITDA⁷

- Total Operating Expenses** ended higher by €8.4m (or +18.0%) in 1H24 (€55.1m vs. €46.7m in 1H23), mainly impacted by rising expenses in Bilyoner (Turkey) following the initiatives to strengthen company's market position. On a quarterly basis, **Operating Expenses** posted an increase of €4.2m (or +17.4%) in 2Q24 (€28.2m vs. €24.0m in 2Q23).
- Other Operating Income** ended at €13.9m presenting a decrease of 6.0% y-o-y (or €-0.9m). On a quarterly basis, **Other Operating Income** increased by 3.2% or €+0.2m.
- EBITDA** amounted to €59.5m in 1H24, posting a decrease of 5.3% (or €-3.3m) compared to 1H23. The variance is largely driven by peso devaluation following the economic reforms in Argentina in late 2023, as well as the lower scope of the contract in Morocco.
- On a yearly basis, **EBITDA margin** on sales posted a marginal decrease by 1.6pps, from 35.8% in 1H23 to 34.3% in the current period.
- On a quarterly basis, **EBITDA** posted a slight increase of €0.3m (or +1.0%), while **EBITDA margin** on sales decreased by 0.7pps.
- LTM EBITDA** stands at €126.1m, lower by 2.6% vs. FY23, mainly attributable to the exchange rate of Peso in Argentina.



⁴ Licensed Operations Revenue also include a small portion of non-Payout related revenue, i.e., value-added services, which totaled €1.9m and €2.9m for 1H24 and 1H23 respectively, and €1.1m and €1.5m for 2Q24 and 2Q23 respectively.

⁵ Payout ratio calculation excludes the IFRS 15 impact for payments to customers.

⁶ Operating Expenses analysis excludes expenditures related to capital structure optimization.

⁷ EBITDA analysis excludes Depreciation & Amortization, and expenditures related to capital structure optimization.

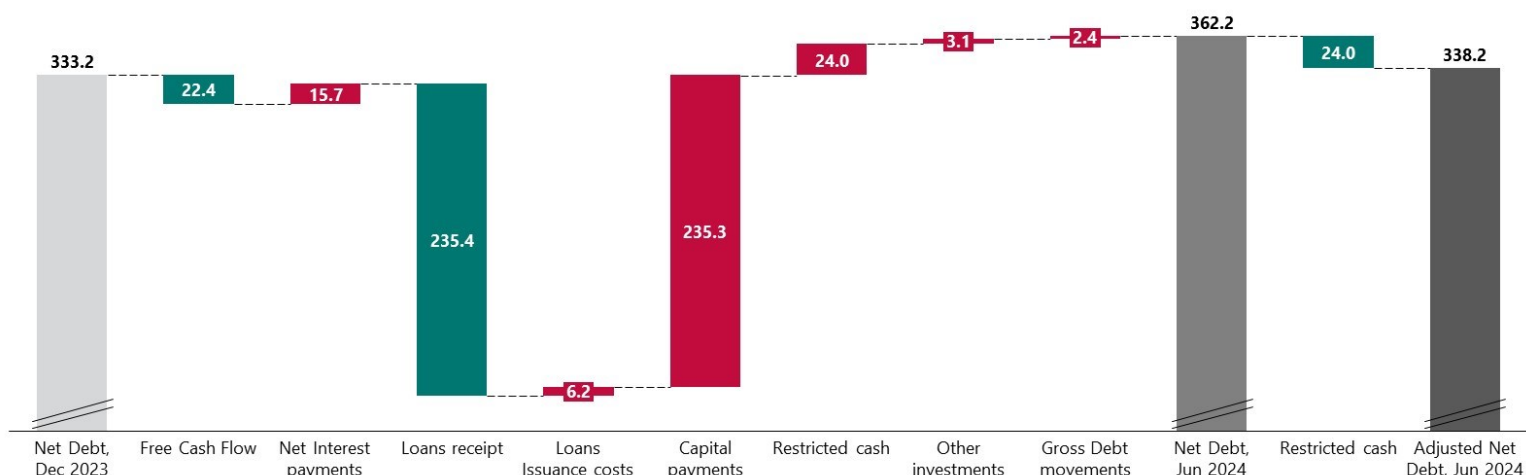
EBT / NIATMI

- **EBT** in 1H24 amounted to €6.1m compared to €16.3m in 1H23, with the major drivers of the decrease being the lower EBITDA contribution, the higher D&A and the increased interest expenses. On a quarterly basis, EBT settles at €0.7m, lower by €4.7m vs. 2Q23.
- **NIATMI** in 1H24 concluded at €4.6m vs. €4.4m in 1H23.

CASH FLOW

- **Operating Cash-flow** in 1H24 amounted to €45.0m compared to €49.8m in 1H23, as a result of the lower recorded EBITDA y-o-y and the unfavorable working capital movement.
- **CAPEX** in 1H24 was €11.7m vs. €14.1m in 1H23. 1H24 results mainly include US projects' outflows and the penultimate installment for the license renewal in Turkey (€3.9m).
- **Net Debt**, as of June 30th, 2024, stood at €362.2m. Adjusting the impact of €24.0m from Restricted cash, Adjusted Net Debt shaped at €338.2m, keeping adjusted net leverage ratio at 2.7x. In the 1st half of 2024, Company generated free cash flow⁸ of €22.4m and paid net interest of €15.7m. Post the successful raise of funds amounting to €235.4m within 1Q24, requiring €24.0m guarantee deposit and €6.2m of issuance cost, the Company proceeded with the full redemption of its notes due September 2024 amounting to €229.6m. In addition, the Company proceeded with capital payments of €5.8m towards the Term Loan in the US, but due to the negative FX movement on our US denominated debt, Gross Debt increased by a total of €2.4m.

Net Debt Movement, 1H24
in € million



⁸ Free Cash Flow defined as "Net Cash from Operating activities" adjusted for "Net Dividends", "Capex", "Repayment of leasing obligations", "Reorganizations costs paid", "Exchange differences" and "Return of Capital to minority shareholders of subsidiary".

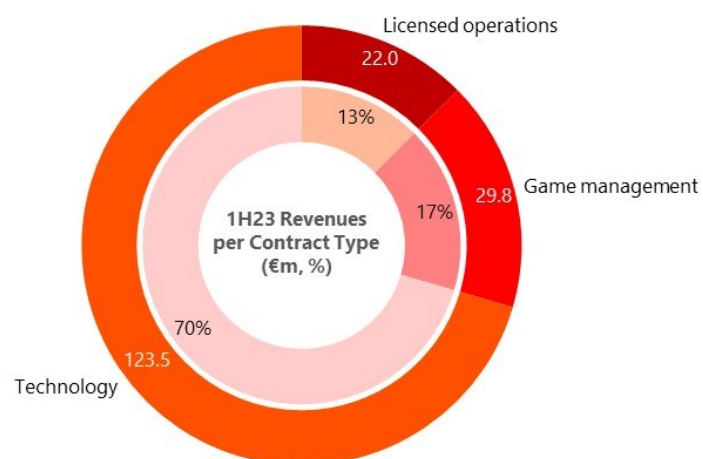
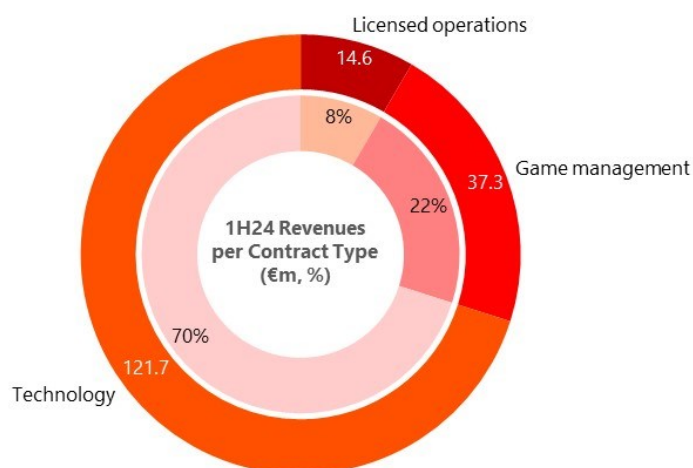
RECENT / SIGNIFICANT COMPANY DEVELOPMENTS

- On June 11, 2024, INTRALOT announced the successful migration of the British Columbia Lottery Corporation's (BCLC) retail lottery system to its innovative LotosX Omni ecosystem fully deployed on a Cloud technology stack. This achievement signifies a major milestone for INTRALOT in North America, while making BCLC one of the first lotteries in the world to adopt a fully cloud-based lottery system.
- On August 26, 2024 INTRALOT S.A. announced the three-year contract extension of its subsidiary in The Netherlands, INTRALOT BENELUX B.V., with Nederlandse Loterij Organisatie B.V. (NLO) to continue providing operations and management services for TOTO retail sportsbook has been activated. TOTO is the sports betting brand of NLO and is operated through a retail network of 4,000 POS. The contract extension is through June 2027. As per the contract, INTRALOT provides its sports betting platform INTRALOT Orion, as well as trading and risk management services coupled with monitoring and performance services for the operation of TOTO games through INTRALOT's Photon terminals.
- Also, on August 26, 2024 INTRALOT S.A. announced that its subsidiary in Ireland, INTRALOT Ireland Ltd., has signed a three-year (3) contract extension, through November 2027, with Premier Lotteries Ireland DAC (PLI). This extension allows INTRALOT to continue providing its advanced central gaming system for the operation of the National Lottery of Ireland through a retail network of more than 4,300 INTRALOT terminals, as well as serving mobile and web players.

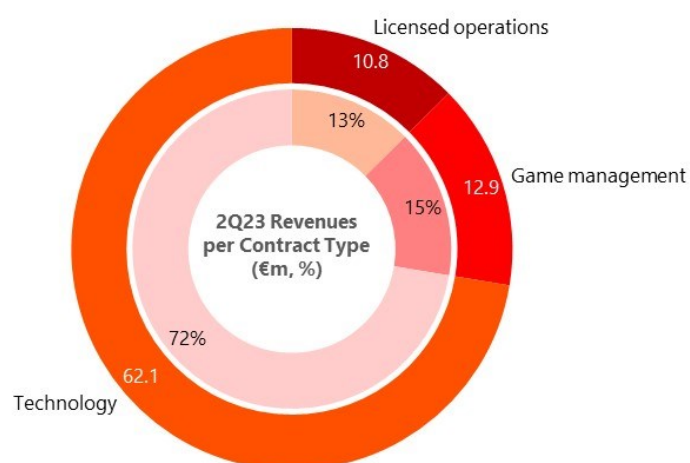
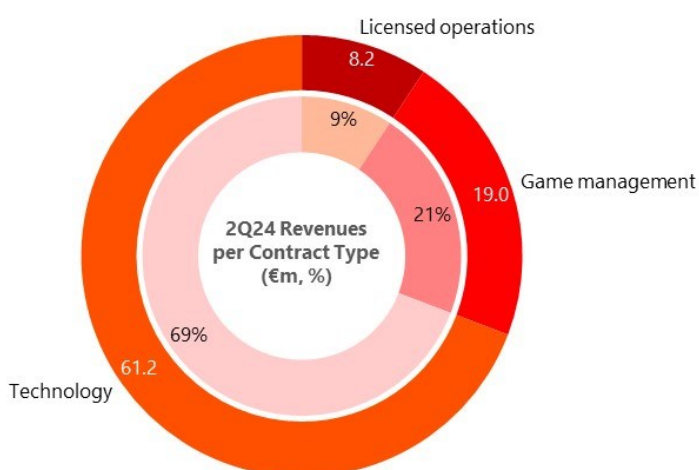
APPENDIX

Performance per Business Segment⁹

YTD Performance



Quarterly Performance



Performance per Geography

Revenue Breakdown

(in € million)	1H24	1H23	% Change
Europe	30.4	50.7	-40.2%
Americas	104.0	114.8	-9.4%
Other	47.2	39.4	19.7%
Eliminations	(7.9)	(29.7)	-
Total Consolidated Sales	173.6	175.3	-0.9%

⁹ Part of the US revenue that concerns SB management, has been included under the category "Game Management". The rest of the US revenue is included under the "Technology" business segment.

Gross Profit Breakdown

(in € million)	1H24	1H23	% Change
Europe	(2.4)	19.0	-
Americas	24.7	32.4	-23.5%
Other	39.9	33.3	20.0%
Eliminations	3.4	(21.7)	-
Total Consolidated Gross Profit	65.6	62.9	4.2%

Gross Margin Breakdown

	1H24	1H23	% Change
Europe	-8.0%	37.4%	-
Americas	23.8%	28.2%	-4.4pps
Other	84.6%	84.3%	+0.2pps
Total Consolidated Gross Margin	37.8%	35.9%	+1.9pps

INTRALOT Parent Company results

- **Revenue** for the period decreased by 51.3%, from €31.4m to €15.3m, driven by higher recharges to subsidiaries during 1H23.
- **EBITDA** shaped at €-2.0m from €16.7m in 1H23, with the negative variance stemming mainly from the decreased revenue.
- **Earnings after Taxes (EAT)** at €-6.8m from €6.1m in 1H23 triggered by lower sales, in part counterbalanced by higher income from investing activities and lower interest expenses.

(in € million)	1H24	1H23	% Change	LTM
Revenue	15.3	31.4	-51.3%	51.9
Gross Profit	2.1	19.0	-88.9%	19.8
Other Operating Income ¹⁰	0.2	0.2	19.4%	1.0
OPEX ¹⁰	(9.5)	(8.3)	14.6%	(19.4)
EBITDA¹⁰	(2.0)	16.7	-	11.8
EAT	(6.8)	6.1	-	5.5
CAPEX (paid)	(5.2)	(1.5)	246.2%	(6.6)

¹⁰ Other Operating Income, Operating Expenses and EBITDA lines presented exclude the expenditures and recharges related to capital structure optimization.

CONFERENCE CALL INVITATION – FIRST HALF 2024 FINANCIAL RESULTS

Sokratis Kokkalis, Chairman, Nikolaos Nikolakopoulos, Group CEO, Chrysostomos Sfatos, Group Deputy CEO, Andreas Chrysos, Group CFO, Vasileios Vasdaris, Group Tax & Accounting Director, Antonis Skiadas, Group Finance, Controlling & Budgeting Director and Michail Tsagalakis, Capital Markets Director, will address INTRALOT's analysts and institutional investors to present the Company's First Half 2024 results, as well as to discuss the latest developments at the Company.

The financial results will be released on the ATHEX website (www.athexgroup.gr) and will be posted on the company's website (www.intralot.com) on Friday, August 30th, 2024 (after the closing of the ATHEX trading session).

AGENDA: Brief Presentation - Question and Answer Session

CONFERENCE CALL DETAILS

Date: Monday, September 2nd, 2024	
Time: Greek time 17:00 - UK time 15:00 - CET 16:00 - USA time 10:00 (East Coast Line)	
Conference Phone GR	 + 30 211 180 2000
Conference Phone GR	 + 30 213 009 6000
Conference Phone GB	 + 44 (0) 203 059 5872
Conference Phone GB	 + 44 (0) 800 368 1063
Conference Phone US	 + 1 516 447 5632
We recommend that you call any of the above numbers 5 to 10 minutes before the conference call is scheduled to start.	

TO REGISTER FOR THE EVENT PLEASE CLICK HERE: [Global Pre-Registration Link](#)

LIVE WEBCAST DETAILS

The conference call will be available via webcast in real time over the Internet and you may join by linking at the internet site:

<https://87399.choruscall.eu/links/intralot1H24.html>

DIGITAL PLAYBACK

There will be a digital playback on September 2nd, 2024, at 19:00 (GR Time).

This Service will be available until the end of the business day September 11th, 2024.

Please dial the following numbers and the **PIN CODE: 059 #** from a touch-tone telephone

Digital Playback UK: + 44 (0) 203 059 5874

Digital Playback US: + 1 631 257 0626

Digital Playback GR: + 30 210 946 0929

In case you need further information, please contact Intralot, Mr. Antonis Mandilas, at the telephone number: +30 213 0397000 or Chorus Call Hellas S.A., our Teleconferencing Services Provider, Tel. +30 210 9427300.

SUMMARY OF FINANCIAL STATEMENTS

Group Statement of Comprehensive Income

<i>(in € million)</i>	1H24	1H23	% Change	2Q24	2Q23	% Change	LTM
Revenue	173.6	175.3	-0.9%	88.5	85.8	3.1%	362.4
Gross Profit	65.6	62.9	4.2%	32.7	30.5	7.6%	147.9
Other Operating Income	13.9	14.8	-6.0%	7.2	7.0	3.2%	29.5
OPEX	(55.1)	(46.7)	18.0%	(28.2)	(24.0)	17.4%	(122.5)
EBITDA	59.5	62.8	-5.3%	29.4	29.1	1.0%	126.1
<i>Margin %</i>	34.3%	35.8%	-1.6pps	33.2%	33.9%	-0.7pps	34.8%
Capital Structure Optimization expenses	(1.3)	-	-	(0.3)	-	-	(1.3)
D&A	(35.2)	(31.9)	10.4%	(17.7)	(15.8)	12.4%	(71.2)
EBIT	23.0	30.9	-25.6%	11.4	13.3	-14.6%	53.6
Interest and related expenses (net)	(21.9)	(19.1)	14.7%	(12.9)	(9.3)	39.1%	(38.5)
Exchange differences	0.5	(0.4)	-	0.4	0.3	50.2%	0.6
Other	4.5	4.9	-7.7%	1.8	1.1	67.3%	7.5
EBT	6.1	16.3	-62.8%	0.7	5.4	-87.3%	23.3
NIATMI	4.6	4.4	4.4%	0.7	1.3	-45.9%	6.0
NIATMI continuing	4.6	4.4	4.4%	0.7	1.3	-45.9%	6.0

Group Statement of Financial Position

<i>(in € million)</i>	1H24	FY23
Tangible Assets (incl. investment properties)	88.1	94.1
Intangible Assets	182.7	182.3
Other Non-Current Assets	60.5	56.1
Inventories	30.5	24.4
Trade and Other Short-term Receivables	136.0	119.9
Cash and Cash Equivalents	85.4	111.9
Total Assets	583.2	588.7
Share Capital	181.2	181.2
Share Premium	122.4	122.4
Other Equity Elements	(273.2)	(279.3)
Non-Controlling Interests	18.7	17.8
Total Shareholders' Equity	49.1	42.1
Long-term Debt	314.6	193.2
Provisions/ Other Long-term Liabilities	22.4	32.7
Short-term Debt	132.9	251.9
Other Short-term Liabilities	64.1	68.8
Total Liabilities	534.1	546.5
Total Equity and Liabilities	583.2	588.7

Group Statement of Cash Flows

<i>(in € million)</i>	1H24	1H23
EBT from continuing operations	6.1	16.3
EBT from discontinued operations	-	-
Plus/less adjustments	54.4	45.6
Decrease/(increase) of inventories	(5.6)	(0.9)
Decrease/(increase) of receivable accounts	1.9	2.7
(Decrease)/increase of payable accounts	(8.9)	(10.8)
Income tax paid	(3.0)	(3.1)
Net Cash from Operating Activities	45.0	49.8
CAPEX	(11.7)	(14.1)
(Purchases) / Sales of subsidiaries & other investments	(3.1)	(0.5)
Interest received	2.1	2.6
Dividends received	0.2	1.0
Net Cash from Investing Activities	(12.5)	(11.0)
Restricted cash related to financing activities	(24.0)	-
Return of Capital to minority shareholders of subsidiary	(0.3)	(1.5)
Cash inflows from loans	235.4	-
Repayment of loans	(235.3)	(5.7)
Bond issuance costs	(6.2)	-
Repayment of leasing obligations	(3.3)	(2.5)
Interest and similar charges paid	(17.8)	(18.4)
Dividends paid	(5.9)	(4.5)
Reorganization costs paid	(0.6)	-
Net Cash from Financing Activities	(58.0)	(32.7)
Net increase / (decrease) in cash for the period	(25.6)	6.1
Exchange differences	(1.0)	(7.0)
Cash at the beginning of the period	111.9	102.4
Cash at the end of the period from total operations	85.4	101.5
Cash at the end of the period from total operations including restricted cash for financing activities and debt repayments	109.4	101.5

About [INTRALOT](#)

INTRALOT, a publicly listed company established in 1992, is a leading gaming solutions supplier and operator active in 39 regulated jurisdictions worldwide. With a global workforce of approximately 1,700 employees in June 2024, INTRALOT is committed to redefine innovation and quality of services in the lottery and gaming sector, while supporting operators in raising funds for good causes. Uniquely positioned to deliver state-of-the-art technology across geographies, the company has developed an advanced ecosystem that serves all verticals enabling the digital transformation of gaming operators and offering players an unparalleled gaming experience. INTRALOT has been awarded the prestigious Responsible Gaming Framework certification by the World Lottery Association and is certified under the WLA Security Control Standard. Visit us at www.intralot.com.

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