INTRALOT Group

INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 June 2018
(based on the Article 5 of L.3556/2007)
ACCORDING TO
INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

CONTENTS

Statement of the Members of the Board of Directors
(according to article 5 par. 2 of L.3556/2007)

The

1. Sokratis P. Kokkalis, Chairman of the Board of Directors
2. Antonios I. Kerastaris, Group CEO
3. Sotirios N. Filos , Member of the Board of Directors

DECLARE THAT

As far as we know:

a. the accompanying interim company and consolidated financial statements of the company "Intralot S.A." for the period 1 January 2018 to 30 June 2018, prepared according to the International Financial Reporting Standards, present truly and fairly the assets and liabilities, equity and the financial results of the Company, as well as of the companies included in the consolidation, according to par. 3 to 5 of article 5 of L. 3556/2007.

b. the semi - annual Board of Directors Management Report presents a true and fair view of the information required according to par. 6 of article 5 of L. 3556/2007.

c. the attached Financial Statements are those approved by the Board of Directors of "Intralot S.A." at 30 August 2018 and have been published to the electronic address www.intralot.com.

Maroussi, 30 August 2018

The designees

S. P. Kokkalis	A. I. Kerastaris	S. N. Filos
Chairman of the Board of Directors	Group CEO	Member of the Board of Directors

SEMI-ANNUAL BOARD OF DIRECTORS MANAGEMENT REPORT

We submit to all interested parties the interim financial statements for the first half of 2018, prepared according to the International Financial Reporting Standards as adopted by the European Union, along with the present report for the period from January 1st to June 30th, 2018. The present report to the Board of Directors of the company "INTRALOT S.A. INTEGRATED LOTTERY SYSTEMS AND SERVICES" has been composed according to the provision of par. 6, article 5 of the Law 3556/2007 and to the published executive resolutions 1/434/3-7-2008 and 7/448/11.10.2007 of the Capital Market Commission' Board of Directors.

PROGRESS OF THE GROUP'S AND COMPANY'S PERFORMANCE FOR THE PERIOD 1/1-30/6/2018 & BUSINESS DEVELOPMENTS FOR THE SECOND HALF OF 2018

FINANCIAL OVERVIEW

In the first half of 2018, INTRALOT group recorded a revenue increase of 2,4% with group turnover amounting to €547,6 million compared to €534,7 million in the corresponding period of 2017. Earnings before interest, tax, depreciation and amortization (EBITDA), amounted to €80,1 million from €82,1 million in the first half of 2017, a decrease of -2,4% as the organic growth fully absorbed LY's non-recurring income in Australia, but could not fully absorb the extremely adverse FX movement across markets (e.g. Turkey, Argentina, the US and Oceania). Earnings before taxes (EBT) increased by 85,7% to €32,5 million, while Group net profit after minority interests amounted to €-3,1 million from €-15,6 million in the first half of 2017. The above results do not include the discontinued operations of the Group's subsidiaries in Jamaica, Santa Lucia, Slovakia, and Russia. Concerning parent company results, turnover increased by 8,9% to €29,4 million in the first half of 2018, while profit after tax amounted to €-1,4 million from €0,0 million in the first half of 2017.

In the first half of 2018, group Operating Cash-flow posted a decrease and stood at €36,7 million vs. €77,2 million in 1H17. Excluding the operating cash-flow contribution of our discontinued operations (Jamaica, Santa Lucia, Slovakia and Russia) in 1H17 (€+9,1 million), the cash-flow from operating activities is lower by €31,4 million (€36,7 million vs. €68,1 million) mainly driven by the adverse working capital movement of 1H18 (€-30,5 million vs. €-0,2 million in 1H17 due to the repayment of a long due interest bearing liability and the inventory buildup for new projects).

Net debt, as of June 30th, 2018, stood at €572,5 million, up €61,8 million compared to December 31st, 2017 driven mainly by our decision to invest in software (AMELCO), the expansion and strengthening of our US footprint, the inventory buildup for new projects, the repayment of a long due interest-bearing liability and own shares repurchase.

RECENT COMPANY DEVELOPMENTS

Projects/ Significant Events

On February 1st, 2018, INTRALOT Group announced the signing of a new contract for INTRALOT Inc., a subsidiary of the INTRALOT Group in the United States, with CAMELOT Illinois LLC for the Illinois State Lottery through October 2027. INTRALOT will install technology solutions in approximately 7.500 retail locations. INTRALOT services are planned to transition in December 2018.

On February 14th, 2018, INTRALOT Group announced the renewal of the current contract of INTRALOT Inc., a subsidiary of the INTRALOT Group in the United States, with the Wyoming Lottery for the five-year period from August 25, 2019, to August 25, 2024. This is the first of three five-year extension options in line with the initial contract terms.

In mid-March 2018, INTRALOT Group announced that it is one of the first companies in the gaming industry globally to be certified under the ISO 37001 standard for anti-bribery management systems. ISO 37001, Anti-bribery management systems, specifies a series of measures to help organizations prevent, detect and address bribery. These include adopting an anti-bribery policy, appointing a person to oversee anti-bribery compliance, training, risk assessments and due diligence on projects and business associates, implementing financial and commercial controls, and instituting reporting and investigation procedures.

On May 14th, 2018, the US Supreme Court has ruled that PASPA (the Professional and Amateur Sports Protection Act), a 1992 federal law which prohibited states from legalizing sports betting, is unconstitutional.

Bond & Own Share Repurchase

In early May 2018, INTRALOT Group announced that via its fully owned subsidiary, INTRALOT GLOBAL HOLDINGS BV, proceeded with the repurchase of Notes amounting to €5,0 million (€500M, 5.25% Senior Notes due 2024 ISIN XS1685702794). The Notes are traded on the Luxembourg Stock Exchange's Euro MTF market.

On May 16th 2018, the Ordinary General Meeting of Intralot SA shareholders decided, among other issues, on the reduction of its share capital by the amount of six hundred thousand euro (€600.000) through the reduction of the total number of shares from 158.961.721 to 156.961.721 common registered shares, due to the cancellation of 2.000.000 own common registered shares. The respective share delisting from the Athens Stock Exchange and cancellation took place on 13.06.18.

During the period between 01.01.2018 and 30.06.18, Intralot SA has proceeded with the repurchase of 5.444.410 own shares amounting to €5,5 million with an average price of €1,01.

M&A Activity

On January 17th, 2018, INTRALOT Group announced the completion of the acquisition of the 50% of the Cypriot company "KARENIA ENTERPRISES COMPANY LIMITED", through its subsidiary INTRALOT Global Holdings BV. KARENIA ENTERPRISES holds a 30% stake in "ATHENS RESORT CASINO S.A." which holds 51% of the Hellenic Casino Parnitha S.A.

Organizational Changes

On April 25th, 2018, INTRALOT announced the appointment of Mr. Michael Kogeler, as Group Chief Operating Officer, effective May 2nd, 2018, following an extensive international search process. Mr. Kogeler will be responsible for the Group's business orchestration of its operations around the world, the relationships with partners and customers as well as the trading operations.

Significant Events after the end of the 1H18 - until the date of the Financial Statements release

Our fully owned subsidiary in Russia, INTRALOT OOO that serves the Russian state lottery (Stoloto) under a management contract that expires in 2021, has been notified that starting July 1st, 2018, the client will carry-out all INTRALOT offered services through in-house resources, translating in an effectively dormant contract. Currently, we examine all our available options, including legal actions. At the same time, our subsidiary, is examining new options to expand its market penetration in the Russian Gambling market. INTRALOT OOO's LTM contribution to INTRALOT Group Financial Results for the period 1/7/2017 to 30/6/2018 can be summarized as follows: Revenue €2,0 million (0,2% of total revenue), EBITDA €0,8 million, Profit / loss before tax €1,3 million and Profit / loss after tax €1,1 million.

On July 2nd, 2018, INTRALOT announced a five-year extension to its current gaming systems contract with the New Hampshire Lottery Commission. The extension will commence at the end of the current contract term of June 30, 2020, furthering the contract through June 30, 2025. The New Hampshire Lottery Commission is the first and oldest U.S. state lottery and continues to be an industry leader. INTRALOT began its partnership with the New Hampshire lottery in 2010.

On July 5th, 2018, INTRALOT announced the renewal of its "WLA Certification of Alignment" with the Responsible Gaming Framework through July 2021. Granted accreditation is in accordance with the criteria set in WLA Responsible Gaming Certification Standards for Associate Members and covers all corporate functions certifying the integrity of the games and corporate conduct.

On July 14th, 2018, Socrates S. Kokkalis Jr., INTRALOT's Deputy CEO, passed away suddenly.

On July 24th, 2018, GAMENET Group – in which INTRALOT holds a 20% equity investment -signed an agreement for the acquisition of 100% of Goldbet. Following the transaction, GAMENET Group becomes the leading betting operator in Italy with the country's largest network of sports betting and over 1.700 points of sale. The acquisition will significantly increase the degree of diversification of the Group's product portfolio and its profitability.

On July 31st, 2018, the old OPAP contract ended and the two parties continue their cooperation under a new contract, specifically in the field of numerical lotteries games, resulting in a smaller contract value due to the limited scope. The new contract is a 3-year contract that also includes an option for OPAP to renew for an additional two years.

On August 28th, 2018, INTRALOT announced the signing of a new contract between the Turkish State Organization SporToto and INTELTEK, its subsidiary in Turkey, in partnership with Turkcell, to continue the operation and technical support of the successful and extremely popular fixed odds sports betting game Iddaa for up to one additional year, starting August 29, 2018. The new contract is under the same main terms with the 10-year contract that expires on August 28, 2018.

During the period between 01.07.2018 and 29.08.18, Intralot SA has proceeded with the repurchase of 2.669.882 own shares amounting to €2,3m with an average price of €0,86.

MEETING SHAREHOLDER EXPECTATIONS

Financial Highlights[1]

The Group operating profitability dropped slightly year on year, as organic growth fully absorbed the non-recurring income of 1H17 (software license right sale in Australia) but could not fully absorb the extremely adverse FX movement across markets (e.g. Turkey, Argentina, the US and Australia), with EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization) posting a -2,4% year over year decrease, reaching €80,1 million from €82,1 million in 1H17.

Financial Data[2] *(in € million)*	**1H 2018**	**1H 2017**	**% Change**
Revenue (Sale Proceeds)	547,6	534,7	2,4%
Licensed Operations	382,4	369,8	3,4%
Management Contracts	59,3	54,8	8,2%
Technology and Support Services	105,9	110,1	-3,8%
GGR	275,6	273,8	*0,7%*
Gross Profit	*116,5*	*108,4*	*7,5%*
Gross Profit Margin (%)	*21,3%*	*20,3%*	*+1,0pps*
EBITDA	*80,1*	*82,1*	*-2,4%*
EBITDA Margin on Sales (%)	*14,6%*	*15,4%*	*-0,8pps*
EBITDA Margin on GGR (%)	*29,1%*	*30,0%*	*-0,9pps*
Adjusted EBITDA[3]	63,6	62,5	1,8%
EBT (Profit/(loss) before tax from continuing operations)	*32,5*	*17,5*	*85,7%*
EBT Margin (%)	*5,9%*	*3,3%*	*+2,6pps*
NIATMI (Profit/(loss) after tax attributable to the equity holders of the parent company from continuing operations)	-3,1	-15,6	*80,1%*
NIATMI (Profit/(loss) after tax attributable to the equity holders of the parent company from total operations)	-3,1	-25,8	*88,0%*

Wagers Handled

During the six-month period ended June 30th, 2018, INTRALOT systems handled €11,0 billion of worldwide wagers (from continuing operations), a 2,7% y-o-y decrease. Africa's wagers increased by 22,9%, South America's by 6,8%, and East Europe's by 1,4%; while North America's wagers decreased by 8,0% (mainly FX driven), West Europe's by 2,9% and Asia's by 1,9%.

Revenue, GGR, EBITDA, EBT and NIATMI from Continuing Operations

Reported consolidated revenues increased by 2,4% compared to 1H17, leading to total revenues for the six-month period ended June 30th, 2018, of €547,6 million.

- Sports Betting was the largest contributor to our top line, comprising 58,3% of our revenues (posting a 9,5% revenue growth, year over year), followed by Lottery Games contributing 29,6% to Group turnover. Technology contracts accounted for 6,7% and VLTs represented

[1] For additional information on the Group's performance, please also consult the Management Discussion and Analysis Report published on our website
[2] The activities of Group subsidiaries Favorit Bookmakers Office OOO (Russia), Intralot Caribbean Ventures Ltd (Santa Lucia), Supreme Ventures Ltd (Jamaica) and Slovenske Loterie AS (Slovakia) are presented as discontinued operations pursuant to IFRS 5 (note 2.20.A.VIII)
[3] Calculated as Proportionate EBITDA of fully consolidated entities including EBITDA from equity investments in Italy, Peru, Greece, and Taiwan

2,8% of Group turnover while Racing constituted the 2,6% of total revenues of 1H18.

Reported consolidated revenues for the six-month period are up by €12,9 million year over year. The main factors that drove top line performance per Business Activity are:

- €+12,6 million (+3,4%) from our Licensed Operations (B2C) activity line with the increase attributed mainly to higher revenues in Bulgaria (€+12,6 million), Poland (€+9,9 million), and Azerbaijan (€+5,4 million), in part offset by Cyprus (€-8,4 million) and Argentina (€-4,7 million).
- €+4,5 million (+8,2%) from our Management (B2B/ B2G) contracts activity line with the increase driven mainly by Morocco (€+3,3 million) and Turkey (€+1,8 million).
- €-4,2 million (-3,8%) from our Technology and Support Services (B2B/ B2G) activity line with the decrease attributed mainly to Australia (€-4,9 million) and Argentina (€-2,6 million) in part offset by the maturing Chilean contract (€+1,6 million) and our US operations' better performance (€+0,8 million).

Gross Gaming Revenue (GGR) from continuing operations increased by 0,7% (€+1,8 million to €275,6 million) year over year driven by:

- the increase in our payout related GGR (+2,1% y-o-y or €+2,2 million), following the stronger top line growth of our licensed operations (+3,6% y-o-y on wagers[4]), which came at an increased average Payout. YTD average Payout Ratio was up by 0,4pps vs. LY (71,5% vs. 71,1%) primarily due to an increasing payout trend in Bulgaria as well as its increasing wagers contribution and the increasing wagers contribution of Poland, in part offset by the suspended license in Cyprus in 4Q 2017.
- and a marginal decrease of the non-payout related GGR (€-0,4 million y-o-y)

EBITDA[5], from continuing operations, developed to €80,1 million in 1H18, posting a decrease of 2,4% (€-2,0 million) compared to the 1H17 results. On a macro level, organic growth fully absorbed LY's software license right sale in Australia but could not fully absorb the extremely adverse FX movement across key markets (e.g. Turkey, Argentina, the US and Australia).

The main drivers for the decrease in 1H18 EBITDA, overturning the marginal 1H18 GGR increase, are:

- the deterioration in the OPEX margin (-2,3% over GGR) is mainly driven by the deterioration of the respective B2B/ B2G OPEX margin as a result of the increased administrative expenses (US mainly) and advertising expenses (largely driven by the increased marketing expenses in Turkey related to our Online Sport Betting activity), coupled with penalty provisions in Morocco (based on a performance reconciliation mechanism) and the first time consolidation of Bit8
- the decrease in the Other operating income in 1H18, which totaled €7,3 million compared to €8,8 million in 1H17, mainly driven by less equipment lease income (following the recent contract renewals in OH and ID) coupled with the adverse USD movement against the Euro. The US other operating income shortfall, in local currency, has been more than recouped from

[4] Licensed Operations Revenue include also a small portion of non-Payout related revenue, i.e. value-added services, which totaled €2,1 million and €2,8 million for 1H18 and 1H17, and €0,9 million and €1,3 million for 2Q18 and 2Q17 respectively

[5] Analysis in the EBITDA section excludes Depreciation & Amortization

the increased revenue in both contracts.

- partially offset by the improvement in the Taxes & Agent Fees margin (+1,0% over GGR) mainly due to the improvement of the Taxes & Agent Fees margin in each of the two categories. The B2C contracts Taxes & Agent Fees margin improvement is mainly driven by LATAM and the suspension of the Sport Betting license in Cyprus only partially diluted by worsening margins in Bulgaria and Poland, while that of the B2B/ B2G segment is driven by a more favorable sales mix in the retail Sports Betting segment in Turkey.
- and the improvement in the Rest of Cost of Sales margin (+0,9% over GGR) driven mainly by the improvement in the margin of the B2B/ B2G contracts following direct cost optimization across operations.

On a yearly basis, **EBITDA margin on sales**, has been impacted by the worsening margins of the B2B/ B2G segment (mainly due to the software license right sale in Australia in 2Q17), decreasing to 14,6% compared to 15,4% in 1H17.

Adjusted EBITDA presented a year over year increase of 1,8% concluding to €63,6 million from €62,5 million in 1H17.

Earnings before Tax in 1H18 totaled €32,5 million, significantly higher compared to €17,5 million in 1H17. The impact of the decreased EBITDA described above (y-o-y: €-2,0 million) was completely counterbalanced by the significantly better FX results (€+8,0 million vs. 1H17) driven mainly by the better USD performance against the local currencies (e.g. high portion of Cash and Cash equivalents in Turkish Entities are held in USD) — being in part offset though by the deterioration of local currencies against EUR, the lower D&A for the period (favorable impact: €+3,0 million vs. 1H17), the better results derived from the equity method consolidation of associates (€+2,0 million vs. 1H17; benefited by the better performance of our equity investments in Peru and Italy and the full consolidation of Bit8 in 4Q17), the higher income from participations/investments (€+1,7 million; assisted mainly by the higher dividend received from our investment in Hellenic Lotteries in 2Q18), the better Net Interest results (€+1,6 million), and the lower impairments of assets for the period (€+0,7 million).

NIATMI (*Net Income After Tax and Minority Interest*) from continuing operations in 1H18 concluded at €-3,1 million compared to €-15,6 million in 1H17, while NIATMI from total operations in 1H17 further deteriorated from the PAT contribution of the prior period's discontinued operations (€-10,2 million) and concluded at €-25,8 million (in 1H18 there were no discontinued entities).

Cash Flow & Net Debt

Statement of Financial Position/Cash Flows *(in € million)*	**1H18**	**FY17**
Total Assets	987,1	1.021,9
Total Equity	61,5	89,8
Cash & Cash Equivalents	194,9	238,0
Partnerships[6]	58,6	80,7
All other Operating Entities (with revenue contracts) & HQ	136,3	157,3
Net Debt	572,5	510,7
	1H18	**1H17**
Operating Cash Flows	36,7	77,2
Net Capital Expenditure	-42,4	-41,2

Operating Cash-flow posted a considerable decrease in 1H18 at €36,7 million vs. €77,2 million in 1H17. Excluding the operating cash-flow contribution of our discontinued operations (Jamaica, Santa Lucia, Russia, and Slovakia) in 1H17 (€+9,1 million), the cash-flow from operating activities is lower by €31,4 million (€36,7 million vs. €68,1 million) mainly driven by the adverse working capital movement of 1H18 (€-30,5 million vs. €-0,2 million in 1H17). Current period WC impact is driven by the repayment of a long due interest-bearing liability (€-13,0 million) and the inventory buildup for new projects (€-12,8 million) largely as a result of the Illinois and Ohio projects.

Net Capex in 1H18 was €42,4 million compared to €41,2 million in 1H17 with the increased Capex in the US and the last installment towards the strategic partnership with AMELCO (both in 2Q18) being the key contributors to bring Net Capex to similar levels on a year-over-year basis (closing the positive gap of €10,4 million in 1Q18 vs. 1Q17). Headline Capex items in 1H18 include €9,8 million towards R&D, €16,3 million in the US mainly towards the Illinois new contract, Ohio contract renewal, and New Hampshire's "Keno" service launch, and €5,7 million towards AMELCO. All other net additions amount to €10,6 million for 1H18. Maintenance CAPEX for 1H18 stood at €11,7 million, or 27,4% of the overall capital expenditure in 1H18 (€42,7 million), at the same levels as a year ago (1H17; €11,9 million – excluding discontinued operations in Jamaica, Slovakia & Russia).

Net Debt, as of June 30th, 2018, stood at €572,5 million, up €61,8 million compared to December 31st 2017 as a result of our decision to invest in software (€-5,7 million AMELCO), the investments in our US business (€-15,9 million towards growth & renewal CAPEX in the US), the repayment of a long due interest bearing liability (€-13,0 million), the inventory buildup for new projects (€-12,8 million; as described above), treasury shares repurchase (€-5,5 million), the net results from investments (€-3,6 million; the outflow for an indirect stake in "Hellenic Casino Parnitha S.A." of €-6,8 million being

[6] Refers to stakes in Turkey (Inteltek & Bilyoner), Bulgaria (Eurofootball Group & Eurobet Group), Azerbaijan & Argentina

in part offset by the share capital return from Hellenic Lotteries equity investment €+3,1 million) and the bond IFRS treatment (€-2,2 million).

Cash and cash equivalents at the end of the 1H18 period decreased by €43,2 million vs. FY17; Of the Cash & Cash Equivalents at the end of June 30th 2018, €58,6 million are located in our partnerships, and the rest across all other Operating entities (with revenue contracts) and HQ (€136,3 million), with an amount of approximately €30,0 million allotted as Working Capital in the operating entities (with revenue contracts).

The Group's financial covenants with respect to Net Debt to EBITDA (Leverage ratio), and financial expenses coverage ratio (Interest Cover ratio) are:

Financial Covenants	H1 2018
Leverage ratio	3,38
Interest Cover ratio	4,27

Our Key Gaming Markets Performance[7]

United States

In the United States, we provide technology and support services to state lotteries through our wholly owned subsidiary Intralot Inc., which was established in December 2001. We are one of the only three vendors who hold contracts with the state lotteries for the supply of online gaming systems, retailer communication networks, and point of sale equipment such as terminals and vending machines. We became the first non-U.S. company to win a tender for the supply of lottery systems when we won a contract to supply the Nebraska state lottery in 2003.

We currently operate 13 contracts in 11 states and the District of Columbia, holding contracts for the supply and operation of online lottery gaming systems in Illinois, Ohio, Louisiana, Arkansas, New Hampshire, Idaho, Vermont, Wyoming, Montana, Washington, D.C., and New Mexico. We also hold a contract for the provision of central monitoring services for more than 21.000 Coin Operated Amusement Machines in Georgia. In Ohio, in addition to providing the central systems, terminals, equipment, vending machines and retailer network communications, we also provide central monitoring services for seven racinos operating video lottery terminals (VLTs). We also run Ohio's cooperative services program (CSP), an instant tickets product management contract where we are accountable for the warehousing, distribution and telemarketing of instant tickets to retailers across the state. In early 2018, Intralot signed a contract with CAMELOT Illinois LLC for the Illinois State Lottery, where we will provide innovative system solutions and a full suite of end-to-end systems through October 2027.

We have a strong track record in renewing and extending our contracts in the US, thus securing a long-term presence in the country. More specifically, INTRALOT Inc. renewed the current contract with the Wyoming Lottery until August 2024. Moreover, in July 2018, INTRALOT announced a five-year

[7] Financial figures refer to the subsidiaries' contribution to the Group and exclude non-operating entities in each of the countries presented

extension to its current gaming systems contract with the New Hampshire Lottery Commission, through June 2025. On the contrary, our South Carolina contract was not renewed and Intralot served the South Carolina Education Lottery up to the beginning of May.

In 1H18, our sales reached €42,2 million, posting a slight increase, by 1,4%, over the prior year where our revenue amounted to €41,6 million. In local currency base our US operations recorded double digit growth compared to 1H17 (c.+13.0%) driven by the numerical segment stronger performance (high Jackpot levels), improved contract terms (e.g. Idaho) and higher equipment sales vs. a year ago (Massachusetts driven), in part offset though by the adverse USD movement (c.12.0% devaluation against the Euro versus a year ago – in YTD average terms) resulting in the marginal topline increase. Revenue for the six months ended June 30, 2018, was 7,8% of the Group's total revenue.

Key Consolidated Financial Figures[8]	**1H 2018**	**1H 2017**	**Δ%**
(in € million)			
Revenue	42,2	41,6	1,4%
GGR	42,2	41,6	1,4%
EBITDA	12,5	13,9	-10,1%
CAPEX (Paid)	16,4	5,4	203,7%

Key Standalone Balance Sheet Figures[6]	**1H 2018**	**FY 2017**
Intralot Inc - USA		
(in € million)		
Assets	108,6	92,5
Liabilities	68,4	51,1
Cash – Cash Equivalents	1,2	0,2
DC09 LLC		
(in € million)		
Assets	4,1	4,0
Liabilities	9,8	9,6
Cash – Cash Equivalents	0,5	0,5

Greece

In Greece, we provide technology support and support services for the operation of private gaming and the lottery through Intralot S.A., our parent company. Originally incorporated in Athens in 1992, we won our first domestic contract in 1993. We currently operate two contracts in Greece.

As the center of our operations, Greece is also home to our betting center that controls our global fixed-odds betting activity, and significant research and development programs (Technology Hub), as well as our corporate headquarters which supports the wider Intralot ecosystem, employing close to 800 employees currently. As such, Intralot S.A. expenses are allocated across the different projects, including among others the Greek projects, as follows:

Twelve months ended June 30, 2018	**OPAP**	**HL**	**Taiwan**	**Peru**	**Malaysia**
Intralot S.A. expenses allocation per project					
CoS	31,7%	12,2%	2,1%	5,8%	5,1%
Selling	22,0%	27,8%	4,0%	2,0%	3,0%
Admin	22,0%	2,0%	4,0%	2,0%	2,0%
R&D	39,4%	12,2%	3,0%	4,3%	3,5%

[8] US Income Statement and CAPEX figures exclude the impact of the Philippines project that is consolidated under Intralot Inc.; Standalone Balance Sheet figures on the other hand, include the impact of the Philippines business

Our relationship with Greek Organization of Football Prognostics S.A. (OPAP) began in 1999. On July 31st, 2018, the old OPAP contract ended and the two parties continue their cooperation under a new contract, specifically in the field of numerical lotteries games, resulting in a smaller contract value due to the limited scope. The new contract is a 3-year contract that also includes an option for OPAP to renew for an additional two years.

On July 26, 2013, in connection with our participation in a joint venture for a 12-year concession for the management of the Hellenic State Lotteries in Greece, we also signed a set of contracts with the joint venture (the company Hellenic Lotteries S.A. which was incorporated by the consortium members) to provide the IT infrastructure, technical services and logistics to operate the Hellenic State Lottery Tickets and also a contract to develop and manage a new sales network for selling the Hellenic State Lottery Tickets. As a result, we have two roles in the joint venture Hellenic Lotteries S.A., one as a 16,5% shareholder and one as a provider of technology and management services. Our contract runs through 2026.

Revenue from Greek entities remained rather stable in 1H18 concluding to €20,7 million compared to €20,6 million in 1H17, and revenue for the six months ended June 30, 2018, was 3,8% of the Intralot Group's total revenue, primarily derived from our contract with OPAP (2,4% of our revenue for the last twelve months ended June 30, 2018). The new OPAP contract with the revised scope is expected to generate revenue of 0,4% of Group 1H18 LTM revenue.

Key Consolidated Financial Figures	**1H 2018**	**1H 2017**	**Δ%**
(in € million)			
Revenue	20,7	20,6	0,5%
GGR	20,7	20,6	0,5%
EBITDA	(4,5)	(4,4)	-2,3%
CAPEX (Paid)	8,8	8,5	3,5%

Key Standalone Balance Sheet Figures	**1H 2018**	**FY 2017**
Intralot SA		
(in € million)		
Assets	391,3	397,6
Liabilities	316,6	313,0
Cash – Cash Equivalents	19,3	20,4
Intralot Services S.A.		
(in € million)		
Assets	3,0	2,5
Liabilities	2,3	2,2
Cash – Cash Equivalents	0,0	0,0
Betting Company SA - Greece		
(in € million)		
Assets	5,5	5,4
Liabilities	1,8	1,9
Cash – Cash Equivalents	1,2	1,6
Intralot Interactive - Greece		
(in € million)		
Assets	1,4	1,5
Liabilities	0,7	0,9
Cash – Cash Equivalents	0,5	0,7

Argentina

In Argentina, we provide technology support and support services mainly for the operation of lottery games and sports betting in 10 of the 23 jurisdictions in the country, and we are the lottery operator for the Province of Salta. We entered the market when we acquired a majority stake (50,01%) in our subsidiary Tecno Accion in 2007. We facilitate approximately 7.000 terminals throughout Argentina and operate approximately 900 terminals in Salta.

Through Tecno Accion we offer integrated technology solutions for lottery organizations such as portable terminals, provide gaming software and trade management systems and communication consultancy. In Salta, we act as the sole lottery operator in the province, with 12 numerical games. Our partners in Tecno Accion are HAPSA, the operator of horse racing in Buenos Aires, and the Casino Club, which manages casinos.

In 2017 we renewed four of our contracts (in the provinces of Jujuy, Neuquén, Corrientes and La Rioja). During the first half of 2018 we renewed our contracts in the provinces of Catamarca and Santiago de Estero. We expect to renew also the contracts in Tierra de Fuego and Salta until the end of 2018, thus, sustaining our footprint in the local market.

Our revenues from the Argentina facility management business in 1H17 reached €13,8 million, and €11,2 million in 1H18. The lottery operator business generated sales of €31,5 million in 1H17, compared to €26,9 million in 1H18, mainly due to the currency exchange rate fluctuation. Our total revenue in Argentina for 1H18 was €38,0 million compared to €45,3 million in 1H17. As a result of the relatively stable market share (operation in specific provinces), our business in Argentina showcased consistent performance in local currency basis as 1H18 results posted a c.+29,0% year over year increase (similar to the 2015-2017 CAGR of c.28,0%), heavily affected though by the local currency fluctuations (c.53,0% devaluation against the Euro versus a year ago – in YTD average terms). Revenue in the six months ended June 30th 2018, was 6,9% of the Intralot Group's total revenue.

Key Consolidated Financial Figures	**1H 2018**	**1H 2017**	**Δ%**
(in € million)			
Revenue	38,0	45,3	-16,1%
GGR	21,8	26,3	-17,1%
EBITDA	7,6	8,6	-11,6%
CAPEX (Paid)	0,7	1,2	-41,7%

Key Standalone Balance Sheet Figures	**1H 2018**	**FY 2017**
Tecno Accion SA - Argentina		
(in € million)		
Assets	8,7	13,1
Liabilities	5,5	5,9
Cash – Cash Equivalents	1,0	1,7
TecnoAccion Salta SA		
(in € million)		
Assets	2,2	3,8
Liabilities	1,4	2,1
Cash – Cash Equivalents	1,1	2,2

Oceania

We originally entered the Australian market in 2006, where we currently provide technology and support services in two jurisdictions through our wholly-owned subsidiaries Intralot Australia Pty Ltd and Intralot Gaming Services Pty Ltd.

In Victoria, IGS supplies a remote monitoring system to control over 26.000 gaming machines under a 15-year contract signed in September 2011 with the State of Victoria. Our monitoring system is designed to ensure the accurate and uninterrupted monitoring of gaming machine transactions, single and multiple venue linked jackpot arrangements, and the capture of data and information with respect to gaming machines for regulatory, taxation, research and related purposes. In addition, conformance with the state-wide pre-commitment system (PCS) has been in place since December 2015 and has increased the monitoring revenue substantially. IGS will operate the pre-commitment scheme up to the end of the monitoring license referred above which expires on August 16, 2027.

In Western Australia, we provide the information technology and systems support for the Lotteries Commission of Western Australia (Lotterywest) in order to enable Lotterywest's retail and online gaming sales, through our wholly-owned subsidiary Intralot Australia Pty Ltd. Since 2014, we have provided support services for Lotterywest in its Retail Transformation Program (RTP) and secured an extension of our ongoing contract to 2021, with the option of a one-year extension.

In New Zealand, we provide technology and support services through our wholly-owned subsidiary Intralot New Zealand Ltd Operations, which was first awarded the government contract in 2005. To the government we provide an electronic monitoring system to link approximately 16.000 electronic gaming machines (EGMs) in more than 1.100 locations. The electronic monitoring system is designed to guarantee the integrity of games and limit opportunities for fraud. Our contract was extended in 2010 after an international tender to 2020 and further extended in 2016 up to 2022. Additionally, in 2010 we were awarded the development and operation of an Integrated Gambling Platform responsible for electronic licensing up to 2020.

Revenues for 1H18 from our Oceanian operations have declined, versus 1H17, from €15,2 million to €10,1 million. This is mainly the result of a software license right sale (€4,0 million) in 2Q17. Adjusting for the one-off, revenues in local currency are rather stable year over year as a result of the nature of our businesses and the maturity of the gambling market with the decline in Euro terms originating from the adverse FX movement (c.9.2% AUD devaluation against Euro & c.10.5% NZD devaluation against Euro – both in YTD average terms). Revenue in the six months ended June 30th 2018 was 1,8% of the Intralot Group's total revenue. The decrease at EBITDA level is driven by the non-recurring income in Australia in 2Q17, as noted above.

Key Consolidated Financial Figures	**1H 2018**	**1H 2017**	**Δ%**
(in € million)			
Revenue	10,1	15,2	-33,5%
GGR	10,1	15,2	-33,5%
EBITDA	6,2	11,2	-44,6%
CAPEX (Paid)	0,6	0,0	-

Key Standalone Balance Sheet Figures	**1H 2018**	**FY 2017**
Intralot Gaming Services Pty Ltd (IGS)		
(in € million)		
Assets	15,3	13,6
Liabilities	6,3	5,8
Cash – Cash Equivalents	3,5	1,7
Intralot Australia PTY Ltd - Australia		
(in € million)		
Assets	6,5	7,4
Liabilities	1,4	2,2
Cash – Cash Equivalents	1,1	0,4
Intralot New Zealand Ltd - New Zealand		
(in € million)		
Assets	4,5	4,4

Liabilities	1,9	1,2
Cash – Cash Equivalents	2,2	1,8

Turkey

In Turkey, our subsidiary Inteltek manages sports betting operations on behalf of SporToto, which is the exclusive licensee in Turkey. We founded Inteltek as part of a consortium in 2002, and we have increased our stake to 45,0% alongside our partner Turkcell, which owns the remaining 55,0%.

In 2003 following an international tender, we won a contract to manage the introduction of sports betting operations into Turkey on behalf of SporToto. Through Inteltek, we developed and introduced the central network for the sports betting operations. In 2008 we won a new ten-year sports betting management contract following an international tender, extending our presence in the country for another ten years. Currently the games are distributed through an agents' network. Inteltek has been very successful in transforming the sports betting market in Turkey by growing the market more than 20 times since 2004, in local currency. In August 2018, Inteltek has signed a new contract with the Turkish State Organization SporToto to continue the operation and technical support of the successful and extremely popular fixed odds sports betting game Iddaa for up to one additional year, starting August 29, 2018 with the same commercial terms. The extension of the cooperation provides the necessary timeframe for the Turkish State to organize the new contract bidding process.

In addition, we currently own approximately 50,01% of Bilyoner, the leading online distributor of sports betting games in Turkey. Bilyoner, along with five other online providers, distributes the games which Inteltek manages on behalf of SporToto. Bilyoner was established in 2003 and had an estimated 3 million registered players as of June 2018. The main contract expires in April 2019 being renewable at the discretion of the administration. However, we expect it to be renewed due to commercial value principles. However, no assurances can be made that such an extension or renewal will occur.

In general, we observed strong growth of the Sport Betting Market year over year (c.+22% in local currency) and a respective shift towards Online Sports Betting (slightly over 60% market share vs. about 50% a year ago). The benefit of the Sports Betting market expansion and mix change has been partially offset by the devaluation of the local currency (c.26.0% devaluation against the Euro versus a year ago – in average YTD terms).

Inteltek's sales dropped from €21,6 million in 1H17 to €19,5 million in 1H18, heavily affected by the local currency devaluation against the Euro. On the other hand, Bilyoner's revenue increased from €20,7 million in €24,6 million over the same period, positively impacted by the shift towards Online Betting that fully mitigated the devaluation of the Turkish Lira. Overall revenue for Turkey was €44,1 million in 1H18 compared to €42,4 million in 1H17, and total revenue in Turkey for the six months ended June 30, 2018, was 8,1% of Intralot Group's total revenue. The decrease at EBITDA level is mainly driven by increased marketing expenses related to Bilyoner's Online Sport Betting activity.

Key Consolidated Financial Figures	**1H 2018**	**1H 2017**	**Δ%**
(in € million)			
Revenue	44,1	42,4	4,0%
GGR	44,1	42,4	4,0%
EBITDA	16,5	17,5	-5,7%
CAPEX (Paid)	0,7	0,6	16,7%

Key Standalone Balance Sheet Figures	1H 2018	FY 2017
Inteltek Internet AS - Turkey		
(in € million)		
Assets	39,2	51,1
Liabilities	19,8	28,6
Cash – Cash Equivalents	35,0	45,8
Bilyoner AS - Turkey		
(in € million)		
Assets	14,1	25,3
Liabilities	7,1	11,2
Cash – Cash Equivalents	9,4	18,8
Cash – Cash Equivalents in USD (for both entities)	40,4	37,0

Morocco

We founded Intralot Maroc S.A. in 2010, with 100% of shares held by Intralot S.A. Intralot Maroc supports the operation of all games of the Morocco's two lotteries: Marocaine des Jeux et des Sports (MDJS) and Societe de Gestion de la Loterie Nationale (SGLN). The two lotteries are complementary organizations and operate a broad gaming portfolio that ranges from sports betting and numerical games, to instants and fast draw entertainment games, sharing a distribution network of approximately 1.200 points of sale throughout Morocco.

Intralot Maroc undertakes the operation of all games, including risk management of fixed-odds sports betting, management of instant tickets and provides additional services, including marketing and promotions, technical operation and maintenance, warehousing and distribution, design and management of the telecommunications network, as well as training to retailers and Lotteries' personnel. The contract with both lotteries expires in December 2018. Intralot Maroc has already secured a one-year extension with MDJS up to December 2019.

In 1H18, Intralot Maroc generated revenues of €14,1 million, while in 1H17 revenues amounted to €10,8 million. The drivers behind the strong growth (more than 30%) are the significant uplift in Sports Betting revenue attributed to the enhanced product offering, along with the increased focus on the Fast Draw Games category, with the introduction of Virtual Games and re-launch of Keno. Revenue for the six months ended June 30, 2018 was 2,6% of our Group's total revenue. Overall, from 2011 till 2017 Intralot Maroc's CAGR in local currency exceeded 10%, thus contributing substantially to the development of the sector in the country. It should be noted that 1H18 results include penalty provisions in Morocco (based on a performance reconciliation mechanism).

Key Consolidated Financial Figures	1H 2018	1H 2017	Δ%
(in € million)			
Revenue	14,1	10,8	30,6%
GGR	14,1	10,8	30,6%
EBITDA	6,9	5,5	25,5%
CAPEX (Paid)	0,7	0,2	205,0%

Key Standalone Balance Sheet Figures	1H 2018	FY 2017
Intralot Maroc SA		
(in € million)		
Assets	25,4	16,9
Liabilities	25,5	20,7

Cash – Cash Equivalents	10,8	6,0

Azerbaijan

In Azerbaijan, we operate, manage and develop fixed-odds and pari-mutual sports betting games and provide related services. We entered the market in 2011 through the award of an exclusive 10-year licensed operations contract to the locally-domiciled Azerinteltek, in which Inteltek, our 45% owned Turkish subsidiary, maintains a 51% stake. Azerinteltek manages a network of approximately 500 POS across Azerbaijan, and we constantly review our options to expand and optimize the network. Azerinteltek also holds the license for distributing instant lottery games, which operates on a commission basis.
The management of our subsidiary Inteltek Internet AS, which is the parent company of Azerinteltek AS, decided in mid-February 2018 to examine the possibility of selling its stake (51%) in Azerinteltek AS.
Our total revenue from Azerbaijan in 1H18 amounted to €82,2 million, in comparison to €76,8 million in 1H17, as a result of significant growth in Sports Betting (both retail and online channels), mainly driven by an enhanced product offering. Revenue net of gaming payout in 1H18 reached €25,4 million, compared to €23,7 million in the same period of 2017. Revenue from Azerbaijan for the six months ended June 30, 2018, was 15,0% of the Intralot Group's total revenue.

Key Consolidated Financial Figures	**1H 2018**	**1H 2017**	**Δ%**
(in € million)			
Revenue	82,2	76,8	7,0%
GGR	25,4	23,7	7,2%
EBITDA	10,7	9,2	16,3%
CAPEX (Paid)	0,2	0,2	-

Key Standalone Balance Sheet Figures	**1H 2018**	**FY 2017**
AzerInteltek - Azerbaijan		
(in € million)		
Assets	11,5	12,1
Liabilities	10,8	9,1
Cash – Cash Equivalents	6,5	7,5

Bulgaria

In Bulgaria, we hold licenses through stakes in two local partnerships. We first entered the market in 2002 through Eurofootball OOD ("Eurofootball"), in which we hold a 49,0% stake (plus option for additional 2,00%) through our wholly-owned subsidiary Bilot EOOD. In July 2016, we announced the acquisition of 49,0% stake (plus option for additional 2,00%) in Eurobet.
The Bulgarian sports betting market is liberalized and Eurofootball operates as the sole sports betting provider through a network of approximately 900 POS. In January 2018, Eurofootball launched a new Horse Racing Virtual game, enhancing its Racing portfolio (comprising of Virtual and Live Greyhounds, until then). Following the enactment of the internet gaming legislation in 2012, we were awarded a 10-year internet betting license in 2014, which we expect to employ in the near future.

Eurobet offers numerical games and scratch tickets through a network of more than 1.000 Points of Sales countrywide. The company offers the following games: Eurochance (started in 2006), Lotomania (started in 2010), scratch-cards (started in 2011), novelty betting (started in 2012), Poker Chance (started in 2014) and Virtual Football (started in 2017) in some of its POS. Lotaria Bulgaria is distributed together with Eurochance and all Eurobet's other games in a network of more than 1.000 betting shops. The scratch cards of Lotaria Bulgaria are distributed in over 4.000 points of sale. The company also has a presence in Bulgaria's online gambling sector.

Eurobet Group presented stable year on year performance in its numerical product family as revenue for 1H18 concluded at €29,8 million versus €29,7 million for the same period in 2017. On the other hand, Eurofootball Group presented a healthy increase in topline results (c.10%), from €125,1 million in 1H17 to €137,5 million in 1H18. Topline overperformance was mainly driven by Virtual Games, along with higher average YTD payout rates versus last year. Our overall 1H18 revenue from Bulgaria was €167,3 million compared to €154,8 million in 1H2017. Revenue from Bulgaria in the six months ended June 30, 2018, was 30,6% of the Intralot Group's total revenue. EBITDA shortfall driven by higher agent fees (% on revenue) and worsening cost structure (marketing driven).

Key Consolidated Financial Figures	**1H 2018**	**1H 2017**	**Δ%**
(in € million)			
Revenue	167,3	154,8	8,1%
GGR	38,2	38,4	-0,5%
EBITDA	12,7	14,4	-11,8%
CAPEX (Paid)	0,2	0,6	-66,7%

Key Standalone Balance Sheet Figures[9]	**1H 2018**	**FY 2017**
Eurofootball Ltd - Bulgaria		
(in € million)		
Assets	25,3	37,9
Liabilities	2,2	2,1
Cash – Cash Equivalents	5,3	4,7
Eurobet Ltd - Bulgaria		
(in € million)		
Assets	7,2	7,7
Liabilities	3,4	4,1
Cash – Cash Equivalents	0,2	0,1

Malta

We entered the lottery market of Malta in 2004 when we were awarded an eight-year exclusive license to operate all state lottery games. For this project, we established the subsidiary Maltco Lotteries Limited, in which we own a 73,0% stake. In 2012, upon the expiration of this license, Maltco was awarded a new ten-year concession and a license to operate the national lottery of Malta through a competitive tender process.

Currently we operate numerical games (the three national lottery games: Super 5, Saturday Lotto and Grand Lottery), fixed-odds betting both pre-game and live, a KENO game, a Bingo 75 and a Fast Bingo game, four horse racing games and instant tickets in a network of approximately 220 POS.

[9] The Balance Sheet figures of the main entities of each Group are presented.

The revenue of Maltco Lotteries in 1H18 reached €48,3 million, relatively stable compared to the same period in 2017 (€47,2 million), while revenue net of gaming payout (GGR) amounted to €18,9 million in 1H18 compared to €18,4 million in 1H17. Overall, Maltco showcased steady performance, in one of the most mature and highly competitive markets. Maltco's efforts towards an enriched player proposition in both numerical and betting games, and with the launch of new games, sustained sales in a period with promising results in the Lottery game family. Our total revenue from Malta for the six months ended June 30, 2018, was 8,8% of the Intralot Group's total revenue.

Key Consolidated Financial Figures	**1H 2018**	**1H 2017**	**Δ%**
(in € million)			
Revenue	48,3	47,2	2,3%
GGR	18,9	18,4	2,7%
EBITDA	6,4	5,7	12,3%
CAPEX (Paid)	0,1	0,0	-

Key Standalone Balance Sheet Figures	**1H 2018**	**FY 2017**
Maltco Lotteries Ltd - Malta		
(in € million)		
Assets	29,7	32,3
Liabilities	8,6	10,0
Cash – Cash Equivalents	10,4	9,0

PROSPECTS AND CHALLENGES FOR THE SECOND HALF OF 2018

2018 is a transition year for INTRALOT in many fronts, namely 2018 signals a transition for our US operations, for our product arsenal, and for our longstanding cooperation with OPAP.

First and foremost, 2018 is a transition year, for our US operations where there is tremendous operational and regulatory developments' momentum. In terms of our US operations, the landmark Illinois project is expected to go live in the end of the second half, "consuming" a significant amount of resources and CAPEX; at the same time, we continue to build on our strong track record in renewing and extending US contracts, having already extended in 2018 Wyoming and New Hampshire up to 2024 and 2025, respectively. On the regulatory front, the PASPA (the Professional and Amateur Sports Protection Act) repeal opens up significant opportunities in the US Sports Betting market. In the second half of 2018, our efforts will focus on ensuring a successful technology transition for the Illinois project, and breaking ground on the legal Sports Betting US market.

Second, in 2018 INTRALOT continues the advancement of its product armory focusing on its Next Generation Sportsbook platform, a true omni-channel product, that will offer betting operators unparalleled opportunities. The new solution will be our flagship product for the US Sports Betting market, an ideal fit both for state lotteries and casino operators. The introduction of Lotos 10, our 3rd generation system designed to leverage the strengths of retail and online worlds, multiplying business value while at the same time driving development and deployment costs down, is scheduled to go live under the new OPAP contract in early 2019, as well as in the context of new upcoming contracts. As such, the second half of 2018 and early 2019 are critical for the successful project implementation of Lotos 10.

Finally, July 2018 marked the end of our extended cooperation with OPAP, which although renewed for an additional 3-year period, will be under a limited scope and specifically in the field of numerical lotteries games, resulting in a smaller contract value going forward. In the second half, our efforts will focus on the successful disengagement from the old contract and the transition to the new one, which has at its core the deployment of our 3rd generation system, Lotos 10.

In the contracts front, in August 2018, Inteltek has signed a new contract with the Turkish State Organization SporToto with the same commercial terms. The extension of the cooperation provides the necessary timeframe for the Turkish State to organize the new contract bidding process. Within 2018, we have successfully extended Wyoming and New Hampshire up to 2024 and 2025, respectively, building on 2017 momentum. For the second half, based on our pipeline we expect to announce a number of new contract wins that will further strengthen our global footprint.

In terms of operations, our focus up to this point in 2018 has been the successful and efficient delivery of our products under our contracts' pipeline, both new contracts (e.g. Illinois) and extensions/ renewals (e.g. Ohio, New Hampshire, new OPAP contract, etc.). In the second half, our resources and focus will continue to be funneled towards servicing our contract pipeline that is expected to grow considerably (vs. 2017) in the later part of this year and into 2019. To that front, the increase in the contracts' pipeline demand is expected to be absorbed by the internal reallocation of resources from projects that are either going live or are ended. Indirect HQ effort will be shifted to service and support successfully and effectively the pipeline of won and upcoming contracts.

Apart from being a transition year, 2018 has been a year where emerging markets have witnessed significant turmoil. Currencies, such as the Turkish Lira, many LATAM currencies, the Australian Dollar and even the US Dollar have devaluated considerably against the Euro versus a year ago. As such, many of our operations have been significantly impacted from the adverse FX movement vs. a year ago, subsequently negatively affecting Group EBITDA levels. FX impact at EBITDA level is expected to worsen assuming currencies remain at current levels against the Euro, as the FX volatility observed over the last semester has not been fully absorbed in the current YTD average FX values, i.e. it has not been fully absorbed in the current EBITDA levels.

In 2018, management expects that Group Net Debt will deteriorate, driven by the expansion and strengthening of our US footprint, the inventory buildup & effort allocation for new projects, the decision to invest in software (AMELCO), the repayment of a long due interest-bearing liability, and the FX headwinds that will adversely affect cash EBITDA.

RISKS AND UNCERTAINTIES

ENTERPRISE RISK MANAGEMENT

The Enterprise Risk Management (ERM) Framework documents the good practices adopted by the INTRALOT Group in order to identify, assess and manage risks related to the achievement of its business objectives.

INTRALOT ERM targets at the assurance of stakeholder and shareholder trust through the appropriate and continuous balancing of risk and value.

INTRALOT ERM follows a holistic approach for taking into account all parameters that drive the execution of INTRALOT Group Strategy, including INTRALOT's financial health, operations, people, technology, compliance, products and reputation.

ERM provides the means to continuously monitor risk, align it with the changing internal and external parameters and manage it according to the defined corporate risk appetite.

The Enterprise Risk Management (ERM) Framework is designed according to the specifications of COSO (Committee of Sponsorship Organizations of the Treadway Commission) and ISACA (COBIT for RISK). It is a holistic strategic framework taking into account risks related to the business objectives of INTRALOT GROUP.

The framework incorporates the following components:

1. Objective setting: Objectives are clearly defined in order to be used as a reference point for the identification of risks. A process is in place for setting objectives that align with INTRALOT's mission and are consistent with the corporate risk appetite.
2. Risk assessment: Risks are analyzed in relation to the objectives and by determining the likelihood of and impact from the realization of an adverse event.
3. Risk response: Management selects risk responses – avoiding, accepting, reducing, or sharing risk – developing a set of actions to align risks with the entity's risk tolerances and risk appetite.
4. Event identification: Internal and external events affecting the achievement of INTRALOT objectives are identified.
5. Internal environment: The internal environment sets the basis for how risk is viewed and addressed by people, including risk management philosophy and risk appetite, integrity and ethical values, and the environment in which they operate.
6. Control activities: Policies, procedures, strategies and action plans in general are established and implemented to help ensure the risk responses are effectively carried out.
7. Information and communication: Relevant information is identified, captured, and communicated in a form and time frame that enable people to carry out their responsibilities.
8. Monitoring: Risk is monitored and modifications made as necessary. Monitoring is accomplished through ongoing management activities, separate evaluations, or both.

Description of significant risks and uncertainties

FINANCIAL RISKS

The Group's international activities create several financial risks in the Group's operation, due to constant changes in the global financial environment. The Group beyond the traditional risks of liquidity risk and credit risk also faces market risk. The most significant of these risks are currency risk and interest rate risk. The risk management program is a dynamic process that is constantly evolving and adapted according to market conditions and aims to minimize potential negative impact on financial results. The basic risk management policies are set by the Group Management. The risk management policy is implemented by the Treasury Department of the Group which operates under specific guidelines approved by management.

Credit risk

The Group does not have significant credit risk concentration because of the wide dispersion of its customers and the fact that credit limits are set through signed contracts. The maximum exposure of credit risk amounts to the aggregate values presented in the balance sheet. In order to minimize the potential credit risk exposure arising from cash and cash equivalents, the Group sets limits regarding the amount of credit exposure to any financial institution. Moreover, in order to secure its transactions even more, the Group adopted an internal rating system, regarding credit rating evaluation, using the relevant financial indices.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group took measures to obtain certain policies to monitor the liquidity in order to hold liquid assets that can cover Group’s liabilities.

Market Risk

1) Foreign Exchange risk

Foreign exchange risk arises from changes in currency exchange rates that affect Group’s foreign currency positions. Group transactions are carried out in more than one currency and hence there is a high risk exposure from exchange rate changes against the base currency, the Euro. However, the Group's activity in many countries generates an advantage, as more portfolio diversification is achieved and, therefore, better exchange rate risk management. Following the rise in US interest rates this year, the foreign exchange risk, which is also borne out by macroeconomic risk, has increased considerably. The currencies of virtually all the markets we operate are underestimated compared to the euro. The main foreign exchange translation rates of the financial statements of foreign subsidiaries were:

- **Statement of Financial Position**:

	30/6/2018	31/12/2017	Change
EUR / USD	1,17	1,20	-2,50%
EUR / AUD	1,58	1,53	3,27%
EUR / TRY	5,34	4,55	17,36%
EUR / PEN	3,84	3,89	-1,29%
EUR / AZN	1,99	2,04	-2,45%
EUR / ARS	33,78	22,39	50,87%
EUR / PLN	4,37	4,18	4,55%
EUR / BRL	4,49	3,97	13,10%

- **Income Statement**:

	Avg. 1/1-30/6/2018	Avg. 1/1-30/6/2017	Change
EUR / USD	1,21	1,08	12,04%
EUR / AUD	1,57	1,44	9,03%
EUR / TRY	4,96	3,94	25,89%
EUR / PEN	3,93	3,55	10,70%
EUR / AZN	2,05	1,89	8,47%
EUR / ARS	26,08	17,01	53,32%
EUR / PLN	4,22	4,27	-1,17%
EUR / BRL	4,14	3,44	20,35%

This type of risk arises both from commercial transactions in foreign currency as well as from investments in foreign countries. In order to manage this risk category, the Group may enter into financial derivative contracts with financial institutions such as currency risk hedging for the receipt of foreign currency dividends by foreign subsidiaries, a policy that systematically applies to all cases where a dividend distribution has been declared or a fee payment and such a derivative product is available. The Group's policy regarding the management of its exposure to foreign exchange risk concerns not only the parent Company but also its subsidiaries.

Sensitivity Analysis in Currency movements amounts of the period 1/1–30/6/2018 (in thousand €)			
Foreign Currency	Currency Movement	Effect in Earnings before taxes	Effect in Equity
USD:	5%	-149	2.004
	-5%	135	-1.813
TRY:	5%	1.250	1.841
	-5%	-1.131	-1.666
PEN:	5%	44	31
	-5%	-40	-28
BRL:	5%	-258	-1.084
	-5%	234	981
CNY:	5%	-69	184
	-5%	62	-166
AZN:	5%	484	-186
	-5%	-438	168
ARS:	5%	307	51
	-5%	-278	-46

Sensitivity Analysis in Currency movements amounts of the period 1/1–30/6/2017 (in thousand €)			
Foreign Currency	Currency Movement	Effect in Earnings before taxes	Effect in Equity
USD:	5%	-156	1.500
	-5%	141	-1.357
TRY:	5%	989	2.579
	-5%	-894	-2.333
PEN:	5%	1	5
	-5%	-1	-4
BRL:	5%	-211	-984
	-5%	191	890
CNY:	5%	-93	142
	-5%	84	-128
AZN:	5%	400	-85
	-5%	-362	77
ARS:	5%	359	153
	-5%	-325	-139

2) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's activities are closely linked to interest rates because of investment and long and short term borrowings. To manage this risk category, the Group uses financial hedging instruments in order to reduce its exposure to interest rate risk. The Group's policy on managing its exposure to interest rate risk affects not only the parent company but also its subsidiaries for the loans concluded in euros or local currency.

The Group's exposure to the risk of changes in market interest rates relates primarily to long-term borrowings of the Group's with floating rate. The Group also manages interest rate risk by having a balanced portfolio of loans with fixed and floating rate borrowings. On June 30, 2018, taking into account the impact of financial hedging products, approximately 97% of the Group's borrowings are at a fixed rate (31/12/2017: 99%) and average duration of about 6 years . As a result, the impact of interest rate fluctuations in operating results and cash flows of the Group's operating activities is small, as shown in the following sensitivity analysis.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates after the impact of financial hedging products. With all other variables held constant, the Group's profit before tax is affected by the impact on floating rate, as follows:

Sensitivity Analysis of Group Loans in Interest Rates Changes

Amounts for 1/1-30/6/2018	Change in interest rate	Effect on profit before tax
Euribor 6M	+/- 1%	75

Amounts for 1/1-30/6/2017	Change in interest rate	Effect on profit before tax
Euribor 1M	+/- 1%	825

3) High leverage risk

INTRALOT’s ability to incur significant additional amounts of debt so as to finance its operations and expansion depends on capital market conditions that influence the levels of new debt issues interest rates and relevant costs. Furthermore, INTRALOT may be able to incur substantial additional debt in the future, however, under the Senior Notes terms INTRALOT will be able to incur additional debt so long as on a pro forma basis its consolidated fixed charge coverage ratio is at least 2,00 (30/06/2018: approximately 3,70), and will be able to incur additional senior debt so long as on a pro forma basis its total net debt to EBITDA (EBITDA/ “Consolidated Cash Flow”) (Senior Leverage ratio) is not more than 3,75 (30/6/2018: approximately 3,20). If new debt is added to INTRALOT’s existing debt levels, or its cash balances are reduced significantly as a result of the implementation of investments, the risks associated with high leverage described above will increase, including the possible inability to service its lending.

OPERATING RISKS

Winners' payouts in sports betting

INTRALOT is one of the largest sports betting operator worldwide. The winners' payout in sports betting may fluctuate in the short-term since it depends on the outcome of the events. The fluctuation of the payout may affect the financial results of INTRALOT since it represents a significant cost element for the Company.

Gaming sector and economic activity

The gaming market is affected by the economic cycles since lottery products are consumer products. However, the gaming sector is more resilient than other sectors of the economy in periods of economic crisis. Specifically, during an economic downturn, frequent draw games (like KENO or VLTs) are most likely to present a reduction in revenues, while lotto type games are less affected. With its international expansion, INTRALOT has achieved significant diversification and has reduced its dependency on the performance of individual markets and economies.

Gaming Taxation

The financial crisis has increased the budget deficits of many countries. The increase of the taxation of lottery games constitutes sometimes an easy, but not correct in Group's opinion, solution for the governments to finance these deficits. Nevertheless, such measures may affect INTRALOT's financial results.

Regulatory risk

The gaming industry is subject to extensive regulations and oversight and regulatory requirements vary from jurisdiction to jurisdiction. Because of the broad geographical reach of INTRALOT's operations, it is subject to a wide range of complex gaming laws and regulations in the jurisdictions in which it is licensed or operate. These regulations govern, for example, advertisement, payouts, taxation, cash and anti-money laundering compliance procedures and other specific limitations, such as the number of gaming machines in a given POS and their proximity to each other. Most jurisdictions require that INTRALOT be licensed. If a license, approval or finding of suitability is required by a regulatory authority and INTRALOT fails to seek or does not receive the necessary approval, license or finding of suitability, then it may be prohibited from providing its products or services for use in the particular jurisdiction. INTRALOT relies on government licenses in order to conduct its main business activities and termination of these licenses would have a material adverse effect on Group revenue. The regulatory environment in any particular jurisdiction may change in the future, and any such change could have a material adverse impact on Group results of operations, business or prospects.

Technological changes

The gaming industry is characterized by rapidly changing technology and evolving industry standards. Many of INTRALOT's software and hardware products are based on proprietary technologies. INTRALOT's competitiveness in the future will depend its ability to respond to technological changes and satisfy future technology demands by developing or licensing innovative and appealing products in a timely and cost effective manner. INTRALOT invests significant financial resources in R&D efforts to develop innovative products so as to compete effectively in the gaming markets.

Emerging markets risk

INTRALOT is active and offers its products and services in many countries worldwide, being active in fast-growing and emerging markets. Possible social, political, legal and economic instability in these markets, such as the political turmoil in Turkey in 2016, may pose significant risks to the Group's ability to conduct and expand its operations in these markets. Although the management believes that its activities in Turkey have not been affected, there are no guarantees that such events will not have an impact in the future. Already since the beginning of 2018, due to the rise in US interest rates, the apparent increase in protectionism in world trade and geopolitical changes, the risk has increased significantly. Argentina's application for assistance to the IMF was accepted by the Fund's Board on 20 June 2018, while it appears that from the second half of 2018, IAS 29 on hyperinflation will be applied. Possibly, as a consequence of the above, the values of the Group's assets and its financial results in Argentina might be affected. At the same time, the significant devaluation of the Turkish Lira against the US Dollar raises concerns about the country's medium-term macroeconomic stability. The Group believes that the dynamics of the structural elements of the Turkish economy will allow it to overcome the current crisis and that its activities will not be significantly affected.

Competition risk and margin squeeze

Intralot operates in a highly competitive industry and its success depends on its ability to effectively compete with numerous domestic and foreign companies. Also, Intralot is heavily dependent on its ability to renew its long term contracts with its customers and could lose substantial revenue and profits if is unable to renew such contracts or renew them with less favorable terms (profit margins, smaller range of services, etc.) due to high competition during public tender process. At the same time, the profit margin could be further squeezed as a result of the significantly higher number of projects (76 for the last 12 months to 30/6/2018 compared to 45 for the whole of 2016) with particularly higher technological and organizational requirements, that will may not allow to the Group to adjust its costs efficiently as it will need to redistribute organizational and technological resources to fulfill and support them at the expiration of profitable projects or their possible renewal.

Other Operating Risks

- risks posed by illegal betting (loss of market share),
- changes in consumer preferences,
- increased competition in the gaming industry,
- non-renewal or termination of material contracts and licenses,
- seasonality of sports schedules,
- player fraud.

MATERIAL TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES:

The most important transactions between the Company and its related parties as per IAS 24 are presented on the table below:

Group (total operations)	Income 01/01/2018-30/6/2018	Income 01/01/2017-30/6/2017	Expense 01/01/2018-30/6/2018	Expense 01/01/2017-30/6/2017
Intracom Holdings Group	62	226	1.887	2.264
Hellenic Lotteries S.A.	4.410	3.560	0	0
Lotrich Information Co LTD	1.117	1.005	0	5
Intralot de Peru SAC	1.293	618	0	1
Other related parties	352	298	3.434	1.212
Executives and members of the board	0	0	3.625	4.883
Total	**7.234**	**5.707**	**8.946**	**8.365**

Company	Income 01/01/2018-30/6/2018	Income 01/01/2017-30/6/2017	Expense 01/01/2018-30/6/2018	Expense 01/01/2017-30/6/2017
Hellenic Lotteries S.A.	2.594	2.711	0	0
Intracom Holdings Group	0	0	1.762	2.107
Lotrich Information Co LTD	1.454	1.005	0	5
Intralot Finance UK LTD	0	0	6.687	6.564
Betting Company S.A.	19	6.332	677	622
Inteltek Internet AS	3.739	4.762	0	0
Intralot Inc	2.393	2.191	1	215
Bilyoner Interaktif Hizmelter A.S.	5.631	4.450	0	0
Intralot Services S.A.	42	42	1.751	1.581
Intralot de Peru SAC	1.704	784	0	1
Intralot Gaming Services PTY	1.815	392	0	0
Other related parties	5.371	4.644	1.463	984
Executives and members of the board	0	0	2.195	2.338
Total	**24.762**	**27.313**	**14.536**	**14.417**

Group (total operations)	Receivable 30/6/2018	Receivable 31/12/2017	Payable 30/6/2018	Payable 31/12/2017
Intracom Holdings Group	8.080	8.287	3.448	17.098
Gamenet Group SpA	3.500	3.500	0	0
Turkcell Group	6	1	24	3.512
Intralot de Peru SAC	1.500	940	0	0
Lotrich Information Co LTD	1.232	952	0	0
Hellenic Lotteries S.A.	1.051	0	0	432
Other related parties	7.822	8.023	1.857	1.448
Executives and members of the board	0	0	125	452
Total	**23.191**	**21.703**	**5.454**	**22.942**

Company	Receivable 30/6/2018	Receivable 31/12/2017	Payable 30/6/2018	Payable 31/12/2017
Intracom Holdings Group	6.253	6.412	2.740	16.339
Intralot Do Brazil LTDA	24.264	23.406	0	0
Intralot Holdings International LTD	0	1.267	0	0
Loteria Moldovei S.A.	1.512	1.511	0	0

Pollot Sp.zoo	3.862	3.827	0	0
LotRom S.A.	1.663	1.663	13.496	13.509
Intralot Inc	18.687	16.361	204	468
Intralot Dominicana S.A.	0	2.117	0	0
Intralot Finance UK LTD	0	0	205.851	190.164
Intralot Beijing Co LTD	0	0	2.416	2.349
Intralot Services S.A.	1.677	1.633	2.796	2.076
Ilot Capital UK LTD	0	0	24.772	21.008
Ilot Investments UK LTD	0	0	24.772	21.008
Intralot Chile SpA	4.190	4.342	-7	-7
Betting Company S.A.	929	908	2.247	1.408
Maltco LTD	762	1.503	11	0
Inteltek Internet AS	821	2.732	0	0
Intralot Gaming Services PTY LTD	4.794	3.531	2	0
Intralot Maroc S.A.	1.227	1.082	0	0
Totolotek S.A.	1.180	1.032	0	0
Intralot Betting Operations Russia Ltd	1.105	1.105	0	0
Lotrich Information Co LTD	1.232	952	0	0
Intralot de Peru SAC	1.500	940	0	0
Hellenic Lotteries S.A.	1.051	0	0	432
Other related parties	10.685	12.433	520	865
Executives and members of the board	0	0	0	222
Total	**87.394**	**88.757**	**279.820**	**269.841**

From the company profits for the period 1/1-30/6/2018 , €9.217 thousand (1/1-30/6/2017: €14.797 thousand) refer to dividends from the subsidiaries Inteltek Internet AS and Bilyoner Interaktif Hizmelter A.S. as well as the associated companies Intralot de Peru SAC and Lotrich Information Co LTD.

The BoD and Key Management Personnel transactions and fees for the Group and the Company for the year 1/1-30/6/2018 were €3,6 million and €2,2 million respectively (1/1-30/6/2017: €4,9 million and €2,3 million respectively).

ALTERNATIVE PERFORMANCE MEASURES ("APM")

The Group uses Alternative Performance Measurements ("APM") in decision-making regarding its financial, operational and strategic planning as well as for the evaluation and publication of its performance. These APMs serve to better understand the financial and operating results of the Group, its financial position and the cash flow statement. Alternative indicators ("APM") should always be taken into account in conjunction with the financial results prepared in accordance with IFRS and under no circumstances replace them.

Definitions and reconciliation of APM

In the description of the Group's performance, "Adjusted" indicators are used such as the adjusted EBITDA.

Net Debt

Net debt is an APM used by the management to assess the capital structure of the Group. Net debt is calculated by adding to "Long-term debt" the "Long-term payable from finance leases" the "Short-term debt" and the "Short-term payable from finance leases" and deducting from total the "Cash and cash equivalents".

EBITDA

International Financial Reporting Standards (IFRS) do not define the content of the "EBITDA". The Group defines "EBITDA" as "Operating Profit/(Loss) before tax" adjusted for the figures "Profit/(loss) from equity method consolidations", "Exchange Differences", "Interest and similar income", "Interest and similar expenses", "Income/(expenses) from participations and investments", "Write-off and impairment loss of assets", "Gain/(loss) from assets disposal" and "Assets depreciation and amortization".

Reconciliation of operating profit before tax to EBITDA (continuing operations):	GROUP	
	1/1-30/6/2018	1/1-30/6/2017
Operating profit/(loss) before tax	**32.451**	**17.513**
Profit/(loss) equity method consolidation	-3	2.012
Foreign exchange differences	-3.603	4.235
Interest and similar income	-3.437	-3.321
Interest and similar expenses	25.423	26.890
Income / (expenses) from participations and investments	-2.733	-982
Gain / (loss) from assets disposal, impairment loss and write-off of assets	172	919
EBIT	**48.270**	**47.266**
Depreciation and amortization	31.810	34.826
EBITDA	**80.080**	**82.092**

Adjusted EBITDA

The adjusted EBITDA is presented in order to better analyze the Group's operating results in combination with its respective structure. As "Adjusted EBITDA" is defined the "Proportionate" EBITDA of the Group by adding the "Proportionate" EBITDA of the Group's most important associates and other companies. As "Proportionate" EBITDA of the Group is defined, the sum of the product of EBITDA contributed by each subsidiary (after the elimination of intra-group transactions) multiplied by the Group's participation percentage in that subsidiary. As "Proportionate" EBITDA of the most important associates and other companies of the Group is defined the sum of the product of EBITDA contributed by each company multiplied by the Group's participation percentage in that company.

The most important associates and other companies are those in which the Group participates with more than 15% and distribute dividends on a systematic basis. For 2017 and 2018 the most important associates and other companies are identified as: Gamenet Group S.p.A., Intralot de Peru SAC, Hellenic Lotteries S.A. and Lotrich Information Co. LTD. The relevant calculations are presented below:

	GROUP	
	1/1-30/6/2018	1/1-30/6/2017
EBITDA	**80.080**	**82.092**
"Proportionate" EBITDA of the Group	50.871	52.270
"Proportionate" EBITDA of the most important associates and other companies of the Group	12.691	10.225
Adjusted EBITDA	**63.562**	**62.495**

From the information stated above and from the Financial Statements you are able to have a complete picture of the Group for the period 1/1-30/6/2018.

Maroussi, 30 August 2018

Sincerely,

Group CEO

Antonios I. Kerastaris

Report on Review of Interim Financial Information

To the Board of Directors of "INTRALOT SA INTEGRATED LOTTERY SYSTEMS AND SERVICES" Company

Introduction

We have reviewed the accompanying interim condensed separate and consolidated statement of financial position of INTRALOT SA INTEGRATED LOTTERY SYSTEMS AND SERVICES Entity (the "Company") as at 30 June 2018 and the related condensed separate and consolidated statements of income and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and the selected explanatory notes that constitute the interim condensed financial information, which is an integral part of the six-month financial report under the L. 3556/2007. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with International Financial Reporting Standards, as adopted by the European Union and apply to Interim Financial Reporting (International Accounting Standard "IAS 34"). Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing as incorporated into the Greek Legislation, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard "IAS 34".

Athens, 30 August 2018

Certified Public Accountants Auditors

Evagelos D. Kosmatos

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INTERIM FINANCIAL STATEMENTS

INCOME STATEMENT GROUP / COMPANY FOR THE SIX MONTHS OF 2018

Amounts reported in thousand €	Note	GROUP 1/1-30/6/2018	GROUP 1/1-30/6/2017	COMPANY 1/1-30/6/2018	COMPANY 1/1-30/6/2017
Sale Proceeds	2.2	547.618	534.701	29.414	27.026
Less: Cost of Sales		-431.123	-426.305	-18.386	-17.106
Gross Profit /(loss)		**116.495**	**108.396**	**11.028**	**9.920**
Other Operating Income	2.3	7.341	8.795	86	117
Selling Expenses		-31.826	-28.106	-4.266	-5.306
Administrative Expenses		-37.379	-37.298	-6.508	-6.840
Research and Development Expenses		-2.866	-2.726	-2.866	-2.726
Other Operating Expenses	2.7	-3.495	-1.795	-1.394	-1.540
EBIT	2.1.5	**48.270**	**47.266**	**-3.920**	**-6.375**
EBITDA	2.1.5	**80.080**	**82.092**	**3.045**	**1.405**
Income/(expenses) from participations and investments	2.5	2.733	982	9.205	11.456
Gain/(loss) from assets disposal, impairment loss and write-off of assets	2.6	-172	-919	0	-6
Interest and similar expenses	2.8	-25.423	-26.890	-7.991	-8.713
Interest and similar income	2.8	3.437	3.321	1.822	1.605
Foreign exchange differences	2.9	3.603	-4.235	-383	-483
Profit / (loss) from equity method consolidations		3	-2.012	0	0
Operating Profit/(loss) before tax from continuing operations		**32.451**	**17.513**	**-1.267**	**-2.516**
Tax	2.4	-15.550	-15.073	-138	2.542
Profit / (loss) after tax from continuing operations (a)		**16.901**	**2.440**	**-1.405**	**26**
Profit / (loss) after tax from discontinued operations (b) [1]	2.20	0	-5.399	0	0
Profit / (loss) after tax (continuing and discontinued operations) (a)+(b)		**16.901**	**-2.959**	**-1.405**	**26**
Attributable to:					
Equity holders of parent					
-Profit/(loss) from continuing operations		-3.083	-15.551	-1.405	26
-Profit/(loss) from discontinued operations [1]	2.20	0	-10.250	0	0
		-3.083	**-25.801**	**-1.405**	**26**
Non-Controlling Interest					
-Profit/(loss) from continuing operations		19.984	17.991	0	0
-Profit/(loss) from discontinued operations [1]	2.20	0	4.851	0	0
		19.984	**22.842**	**0**	**0**
Earnings/(loss) after tax per share (in €) from total operations					
-basic	2.20	-0,0197	-0,1639	-0,0090	0,0002
-diluted	2.20	-0,0197	-0,1639	-0,0090	0,0002
Weighted Average number of shares		156.194.331	157.373.760	156.194.331	157.373.760

[1] The activities of Group subsidiaries Favorit Bookmakers Office OOO (Russia), Intralot Caribbean Ventures Ltd (Santa Lucia), Supreme Ventures Ltd (Jamaica) and Slovenske Loterie AS (Slovakia) are presented as discontinued operations pursuant to IFRS 5 (note 2.20.A.VIII)

STATEMENT OF COMPREHENSIVE INCOME GROUP / COMPANY FOR THE FIRST SEMESTER OF 2018

Amounts reported in thousand €	Note	GROUP		COMPANY	
		1/1-30/6/2018	1/1-30/6/2017	1/1-30/6/2018	1/1-30/6/2017
Net Profit / (loss) after tax (continuing and discontinued operations) (a)+(b)		**16.901**	**-2.959**	**-1.405**	**26**
Attributable to:					
Equity holders of parent					
-Profit/(loss) from continuing operations		-3.083	-15.551	-1.405	26
-Profit/(loss) from discontinued operations [1]		0	-10.250	0	0
		-3.083	**-25.801**	**-1.405**	**26**
Non-Controlling Interest					
-Profit/(loss) from continuing operations		19.984	17.991	0	0
-Profit/(loss) from discontinued operations [1]		0	4.851	0	0
		19.984	**22.842**	**0**	**0**
Other comprehensive income after tax					
Amounts that may not be reclassified to profit or loss:					
Defined benefit plans revaluation for subsidiaries and parent company		12	-7	0	0
Defined benefit plans revaluation for associates and joint ventures		-105	4	0	0
Valuation of assets measured at fair value through other comprehensive income of parent and subsidiaries	2.12	2.333	127	-9	-262
Share of valuation of assets valued at fair value through other comprehensive income of associates and joint ventures		0	-11	0	0
Amounts that may be reclassified to profit or loss:					
Derivatives valuation of parent and subsidiaries		66	61	66	61
Exchange differences on translating foreign operations of subsidiaries	2.15	-10.843	-1.413	0	0
Share of exchange differences on translating foreign operations of associates and joint ventures	2.15	2.454	-8.195	0	0
Other comprehensive income/ (expenses) after tax		**-6.083**	**-9.434**	**57**	**-201**
Total comprehensive income / (expenses) after tax		**10.818**	**-12.393**	**-1.348**	**-175**
Attributable to:					
Equity holders of parent		-5.752	-29.193	-1.348	-175
Non-Controlling Interest		16.570	16.800	0	0

[1] The activities of Group subsidiaries Favorit Bookmakers Office OOO (Russia), Intralot Caribbean Ventures Ltd (Santa Lucia), Supreme Ventures Ltd (Jamaica) and Slovenske Loterie AS (Slovakia) are presented as discontinued operations pursuant to IFRS 5 (note 2.20.A.VIII)

INCOME STATEMENT GROUP / COMPANY FOR THE SECOND QUARTER OF 2018

Amounts reported in thousand €	Note	GROUP 1/4-30/6/2018	GROUP 1/4-30/6/2017	COMPANY 1/4-30/6/2018	COMPANY 1/4-30/6/2017
Sale Proceeds		266.952	265.742	14.913	12.890
Less: Cost of Sales		-211.237	-212.065	-8.659	-8.237
Gross Profit /(loss)		**55.715**	**53.677**	**6.254**	**4.653**
Other Operating Income		3.819	4.599	37	71
Selling Expenses		-14.640	-14.447	-1.944	-2.531
Administrative Expenses		-19.101	-18.993	-3.327	-3.734
Research and Development Expenses		-1.376	-1.070	-1.376	-1.070
Other Operating Expenses		-3.063	-1.559	-127	-1.538
EBIT		**21.354**	**22.207**	**-483**	**-4.149**
EBITDA		**37.482**	**40.265**	**2.985**	**516**
Income/(expenses) from participations and investments		1.727	445	735	-441
Gain/(loss) from assets disposal, impairment loss and write-off of assets		-63	-864	0	0
Interest and similar expenses		-12.463	-13.951	-4.122	-4.477
Interest and similar income		1.564	1.629	1.202	870
Foreign exchange differences		6.264	-5.037	592	-281
Profit / (loss) from equity method consolidations		853	-839	0	0
Operating Profit/(loss) before tax from continuing operations		**19.236**	**3.590**	**-2.076**	**-8.478**
Tax		-6.794	-5.318	673	3.676
Profit / (loss) after tax from continuing operations (a)		**12.442**	**-1.728**	**-1.403**	**-4.802**
Profit / (loss) after tax from discontinued operations (b) [1]		0	-8.371	0	0
Profit / (loss) after tax (continuing and discontinued operations) (a)+(b)		**12.442**	**-10.099**	**-1.403**	**-4.802**
Attributable to:					
Equity holders of parent					
-Profit/(loss) from continuing operations		2.953	-9.384	-1.403	-4.802
-Profit/(loss) from discontinued operations [1]		0	-10.946	0	0
		2.953	**-20.330**	**-1.403**	**-4.802**
Non-Controlling Interest					
-Profit/(loss) from continuing operations		9.489	7.656	0	0
-Profit/(loss) from discontinued operations [1]		0	2.575	0	0
		9.489	**10.231**	**0**	**0**
Earnings/(loss) after tax per share (in €) from total operations					
-basic		0,0189	-0,1292	-0,0090	-0,0305
-diluted		0,0189	-0,1292	-0,0090	-0,0305
Weighted Average number of shares		156.194.331	157.373.760	156.194.331	157.373.760

[1] The activities of Group subsidiaries Favorit Bookmakers Office OOO (Russia), Intralot Caribbean Ventures Ltd (Santa Lucia), Supreme Ventures Ltd (Jamaica) and Slovenske Loterie AS (Slovakia) are presented as discontinued operations pursuant to IFRS 5 (note 2.20.A.VIII)

STATEMENT OF COMPREHENSIVE INCOME GROUP / COMPANY FOR THE SECOND QUARTER OF 2018

Amounts reported in thousand €	Note	GROUP 1/4-30/6/2018	GROUP 1/4-30/6/2017	COMPANY 1/4-30/6/2018	COMPANY 1/4-30/6/2017
Net Profit / (loss) after tax (continuing and discontinued operations) (a)+(b)		**12.442**	**-10.099**	**-1.403**	**-4.802**
Attributable to:					
Equity holders of parent					
-Profit/(loss) from continuing operations		2.953	-9.384	-1.403	-4.802
-Profit/(loss) from discontinued operations [1]		0	-10.946	0	0
		2.953	**-20.330**	**-1.403**	**-4.802**
Non-Controlling Interest					
-Profit/(loss) from continuing operations		9.489	7.656	0	0
-Profit/(loss) from discontinued operations [1]		0	2.575	0	0
		9.489	**10.231**	**0**	**0**
Other comprehensive income after tax					
Amounts that may not be reclassified to profit or loss:					
Defined benefit plans revaluation for subsidiaries and parent company		7	-27	0	0
Defined benefit plans revaluation for associates and joint ventures		5	4	0	0
Valuation of assets measured at fair value through other comprehensive income of parent and subsidiaries		2.330	562	-12	4
Share of valuation of assets valued at fair value through other comprehensive income of associates and joint ventures		0	-11	0	0
Amounts that may be reclassified to profit or loss:					
Derivatives valuation of parent and subsidiaries		48	-52	48	-52
Exchange differences on translating foreign operations of subsidiaries		-3.231	3.802	0	0
Share of exchange differences on translating foreign operations of associates and joint ventures		4.123	-7.124	0	0
Other comprehensive income/ (expenses) after tax		**3.282**	**-2.846**	**36**	**-48**
Total comprehensive income / (expenses) after tax		**15.724**	**-12.945**	**-1.367**	**-4.850**
Attributable to:					
Equity holders of parent		7.905	-18.720	-1.367	-4.850
Non-Controlling Interest		7.819	5.775	0	0

[1] The activities of Group subsidiaries Favorit Bookmakers Office OOO (Russia), Intralot Caribbean Ventures Ltd (Santa Lucia), Supreme Ventures Ltd (Jamaica) and Slovenske Loterie AS (Slovakia) are presented as discontinued operations pursuant to IFRS 5 (note 2.20.A.VIII)

STATEMENT OF FINANCIAL POSITION GROUP/COMPANY

Amounts reported in thousand €	Note	GROUP		COMPANY	
		30/6/2018	31/12/2017	30/6/2018	31/12/2017
ASSETS					
Tangible assets	2.10	105.806	102.793	15.415	15.794
Investment property	2.10	0	0	0	0
Intangible assets	2.10	328.146	324.508	94.641	93.729
Investment in subsidiaries, associates and joint ventures	2.11	139.317	135.763	141.500	141.500
Other financial assets	2.12	16.327	21.524	1.234	1.243
Deferred Tax asset		3.985	4.749	0	0
Other long term receivables		19.455	16.515	138	142
Total Non-Current Assets		**613.036**	**605.852**	**252.928**	**252.408**
Inventories	2.13	45.114	31.482	20.266	18.839
Trade and other short term receivables	2.19	133.242	145.575	98.690	105.917
Other financial assets	2.12	878	914	48	0
Cash and cash equivalents	2.14	194.851	238.041	19.331	20.434
Total Current Assets		**374.085**	**416.012**	**138.335**	**145.190**
TOTAL ASSETS		**987.121**	**1.021.864**	**391.263**	**397.598**
EQUITY AND LIABILITIES					
Share capital	2.15	47.089	47.689	47.089	47.689
Treasury shares	2.15	-5.463	-2.149	-5.463	-2.149
Other reserves	2.15	59.167	56.738	43.636	43.579
Foreign exchange differences	2.15	-81.717	-76.747	0	0
Retained earnings	2.16	20.616	32.291	-10.593	-4.558
Total equity attributable to shareholders of the parent		**39.692**	**57.822**	**74.669**	**84.561**
Non-Controlling Interest		21.800	31.966	0	0
Total Equity		**61.492**	**89.788**	**74.669**	**84.561**
Long term debt	2.17	740.040	727.988	255.395	232.179
Staff retirement indemnities		5.112	5.451	3.163	3.489
Other long term provisions	2.20	8.195	7.993	7.816	7.612
Deferred Tax liabilities		14.244	15.054	5.550	5.803
Other long term liabilities	2.19	4.780	1.069	322	0
Finance lease obligation	2.21	2.623	1.389	0	0
Total Non-Current Liabilities		**774.994**	**758.944**	**272.246**	**249.083**
Trade and other short term liabilities	2.19	112.855	136.844	44.018	61.910
Short term debt and finance lease	2.17	24.723	19.345	0	0
Current income tax payable		8.309	11.084	239	1.953
Short term provision	2.20	4.748	5.859	91	91
Total Current Liabilities		**150.635**	**173.132**	**44.348**	**63.954**
TOTAL LIABILITIES		**925.629**	**932.076**	**316.594**	**313.037**
TOTAL EQUITY AND LIABILITIES		**987.121**	**1.021.864**	**391.263**	**397.598**

STATEMENT OF CHANGES IN EQUITY GROUP

STATEMENT OF CHANGES IN EQUITY INTRALOT GROUP (Amounts reported in thousand of €)	Share Capital	Treasury Shares	Legal Reserve	Other Reserves	Foreign exchange differences	Retained Earnings	Total	Non-Controlling Interest	Grand Total
Opening Balance 1 January 2018 prior to the application of IFRS 9 & 15	**47.689**	**-2.149**	**28.201**	**28.537**	**-76.747**	**32.291**	**57.822**	**31.966**	**89.788**
Effect from the application of IFRS 15 [1]						-937	**-937**		**-937**
Effect from the application of IFRS 9 [1]						-5.738	**-5.738**		**-5.738**
Opening Balance 1 January 2018 after the application of IFRS 9 & 15	**47.689**	**-2.149**	**28.201**	**28.537**	**-76.747**	**25.616**	**51.147**	**31.966**	**83.113**
Effect on retained earnings from previous years adjustments						-68	**-68**	-13	**-81**
New consolidated associate companies				-10			**-10**		**-10**
Period's results						-3.083	**-3.083**	19.984	**16.901**
Other comprehensive income / (expenses) after tax				2.400	-4.970	-99	**-2.669**	-3.414	**-6.083**
Dividends to equity holders of parent / non-controlling interest							**0**	-26.828	**-26.828**
Effect due to change in participation percentage						-105	**-105**	105	**0**
Repurchase of treasury shares		-5.523					**-5.523**		**-5.523**
Cancelation of treasury shares	-600	2.209				-1.609	**0**		**0**
Associate companies stock options						3	**3**		**3**
Transfer between reserves			39			-39	**0**		**0**
Balances as at 30 June 2018	**47.089**	**-5.463**	**28.240**	**30.927**	**-81.717**	**20.616**	**39.692**	**21.800**	**61.492**

[1] Relates to adjustment of the opening balance from the first application of IFRS 9 and IFRS 15 (note 2.1.4)

STATEMENT OF CHANGES IN EQUITY INTRALOT GROUP (Amounts reported in thousand of €)	Share Capital	Treasury Shares	Legal Reserve	Other Reserves	Foreign exchange differences	Retained Earnings	Total	Non-Controlling Interest	Grand Total
Opening Balance 1 January 2017	**47.689**	**-1.709**	**27.076**	**28.960**	**-61.180**	**86.706**	**127.542**	**68.944**	**196.486**
Effect on retained earnings from previous years adjustments						-76	**-76**	-20	**-96**
Period's results						-25.801	**-25.801**	22.842	**-2.959**
Other comprehensive income / (expenses) after tax				161	-3.554	1	**-3.392**	-6.042	**-9.434**
Dividends to equity holders of parent / non-controlling interest							**0**	-30.999	**-30.999**
Effect due to change in participation percentage						10	**10**	-25	**-15**
Transfer between reserves			656	2		-658	**0**		**0**
Repurchase of treasury shares		-6					**-6**		**-6**
Balances as at 30 June 2017	**47.689**	**-1.715**	**27.732**	**29.123**	**-64.734**	**60.182**	**98.277**	**54.700**	**152.977**

STATEMENT OF CHANGES IN EQUITY COMPANY

STATEMENT OF CHANGES IN EQUITY INTRALOT S.A. (Amounts reported in thousand of €)	Share Capital	Treasury Shares	Legal Reserve	Other Reserves	Retained Earnings	Total
Opening Balance 1 January 2018 prior to the application of IFRS 15	**47.689**	**-2.149**	**15.896**	**27.683**	**-4.558**	**84.561**
Effect from the application of IFRS 15 [1]					-333	**-333**
Effect from the application of IFRS 9 [1]					-2.688	**-2.688**
Opening Balance 1 January 2018 after the application of IFRS 15	**47.689**	**-2.149**	**15.896**	**27.683**	**-7.579**	**81.540**
Period's results					-1.405	**-1.405**
Other comprehensive income /(expenses) after tax				57		**57**
Repurchase of treasury shares		-5.523				**-5.523**
Cancelation of treasury shares	-600	2.209			-1.609	**0**
Balances as at 30 June 2018	**47.089**	**-5.463**	**15.896**	**27.740**	**-10.593**	**74.669**

[1] Relates to adjustment of the opening balance from the first application of IFRS 15 (note 2.1.4)

STATEMENT OF CHANGES IN EQUITY INTRALOT S.A. (Amounts reported in thousand of €)	Share Capital	Treasury Shares	Legal Reserve	Other Reserves	Retained Earnings	Total
Opening Balance 1 January 2017	**47.689**	**-1.709**	**15.896**	**28.040**	**6.892**	**96.808**
Period's results					26	**26**
Other comprehensive income /(expenses) after tax				-201		**-201**
Repurchase of treasury shares		-6				**-6**
Balances as at 30 June 2017	**47.689**	**-1.715**	**15.896**	**27.839**	**6.918**	**96.627**

CASH FLOW STATEMENT GROUP/COMPANY

Amounts reported in thousand of € (total operations)	Note	GROUP 1/1-30/6/2018	GROUP 1/1-30/6/2017	COMPANY 1/1-30/6/2018	COMPANY 1/1-30/6/2017
Operating activities					
Profit / (loss) before tax from continuing operations		32.451	17.513	-1.267	-2.516
Profit / (loss) before tax from discontinued operations	2.20	0	-2.966	0	0
Profit / (loss) before Taxation		**32.451**	**14.547**	**-1.267**	**-2.516**
Plus / Less adjustments for:					
Depreciation and Amortization		31.810	35.788	6.965	7.780
Provisions	2.6/2.7	909	2.323	1.440	1.529
Results (income, expenses, gain and loss) from Investing Activities	2.5/2.6 2.9/2.11	-6.085	16.872	-8.822	-10.966
Interest and similar expenses	2.8	25.423	27.222	7.991	8.713
Interest and similar Income	2.8	-3.437	-3.623	-1.822	-1.605
Plus / Less adjustments for changes in working capital:					
Decrease / (increase) of Inventories		-11.465	-4.064	-18	-1.069
Decrease / (increase) of Receivable Accounts		-906	142	170	11.628
(Decrease) / increase of Payable Accounts (except Banks)		-18.124	3.698	-16.185	-6.625
Less: Income Tax Paid		13.898	15.699	0	481
Total inflows / (outflows) from operating activities (a)		**36.678**	**77.206**	**-11.548**	**6.388**
Investing Activities					
(Purchases) / Sales of subsidiaries, associates, joint ventures and other investments	2.12/ 2.20	-3.620	4.514	0	9.000
Purchases of tangible and intangible assets	2.10	-42.674	-41.369	-8.808	-8.461
Proceeds from sales of tangible and intangible assets	2.10	285	124	0	40
Interest received		4.080	2.622	489	0
Dividends received		6.810	1.832	8.572	13.425
Total inflows / (outflows) from investing activities (b)		**-35.119**	**-32.277**	**253**	**14.004**
Financing Activities					
Repurchase of treasury shares	2.15	-5.523	-6	-5.523	-6
Proceeds from loans	2.17	52.585	52.550	15.000	0
Repayment of loans	2.17	-28.795	-53.216	0	-13.900
Repurchase of bonds	2.17	-5.004	0	0	0
Repayments of finance lease obligations	2.17	-2.888	-923	0	0
Interest and similar expenses paid		-25.091	-25.407	850	-2.138
Dividends paid	2.16	-27.752	-27.497	0	0
Total inflows / (outflows) from financing activities (c)		**-42.468**	**-54.499**	**10.327**	**-16.044**
Net increase / (decrease) in cash and cash equivalents for the period (a) + (b) + (c)		**-40.909**	**-9.570**	**-968**	**4.348**
Cash and cash equivalents at the beginning of the period	2.14	**238.041**	**164.401**	**20.434**	**20.356**
Net foreign exchange difference		-2.281	-7.622	-135	-227
Cash and cash equivalents at the end of the period from total operations	2.14	**194.851**	**147.209**	**19.331**	**24.477**

1. GENERAL INFORMATION

INTRALOT S.A. – "Integrated Lottery Systems and Gaming Services", with the distinct title «INTRALOT» is a business entity that was established based on the Laws of Hellenic Republic, whose shares are traded in the Athens Stock Exchange. Reference to «INTRALOT» or the «Company» includes INTRALOT S.A. whereas reference to the «Group» includes INTRALOT S.A. and its fully consolidated subsidiaries, unless otherwise stated. The Company was established in 1992 and has its registered office in Maroussi of Attica.

INTRALOT, a public listed company, is the leading supplier of integrated gaming and transaction processing systems, innovative game content, sports betting management and interactive gaming services to state-licensed gaming organizations worldwide. Its broad portfolio of products & services, its know-how of Lottery, Betting, Racing & Video Lottery operations and its leading-edge technology, give INTRALOT a competitive advantage, which contributes directly to customers' efficiency, profitability and growth. With presence in 50 countries and states, with approximately 5.100 employees and revenues from continuing operations of €1,1 billion for 2017, INTRALOT has established its presence on all 5 major continents.

The interim financial statements of the Group and the Company for the period ended 30 June 2018 were approved by the Board of Directors on 30 August 2018.

2. NOTES TO THE INTERIM FINANCIAL STATEMENTS

2.1.1 Basis of preparation of the Financial Statements

The attached financial statements have been prepared on the historical cost basis, except for financial assets measured at fair value through other comprehensive income and the derivative financial instruments that are measured at fair value, or at cost if the difference is not a significant amount, and on condition that the Company and the Group would continue as a going concern. The attached financial statements are presented in Euros and all values are rounded to the nearest thousand (€000) except if indicated otherwise.

2.1.2 Statement of compliance

These financial statements for the period ended 30 June 2018 have been prepared in accordance with IAS 34 "Interim Financial Reporting". Those interim condensed financial statements do not include all the information and disclosures required by IFRS in the annual financial statements and should be read in conjunction with the Group's and Company's annual financial statements as at 31 December 2017.

2.1.3 Financial Statements

INTRALOT keeps its accounting books and records and prepares its financial statements in accordance with the International Financial Reporting Standards (IFRS) Law 4308/2014 chap. 2, 3 & 4 and current tax regulations and issues its financial statements in accordance with the International Financial Reporting Standards (IFRS).

INTRALOT's Greek subsidiaries keep their accounting books and records and prepare their financial statements in accordance with GAS (L.4308/2014), the International Financial Reporting Standards (IFRS) and current tax regulations. INTRALOT's foreign subsidiaries keep their accounting books and records and prepare their financial statements in accordance with the applicable laws and regulations in their respective countries. For the purpose of the consolidated financial statements, Group entities' financial statements are adjusted and prepared in relation to the requirements of the International Financial Reporting Standards (IFRS).

2.1.4 Changes in accounting policies

For the preparation of the financial statements of period ended 30 June 2018, the accounting policies adopted are consistent with those followed in the preparation of the most recent annual financial statements (31 December 2017), except for the below mentioned adoption of new standards and interpretations applicable for fiscal periods beginning at January 1, 2018.

Standards and Interpretations compulsory for the fiscal year 2018

IFRS 9 "Financial Instruments"

(COMMISSION REGULATION (EU) No. 2016/2067 of 22nd November 2016, L 323/1 - 29/11/2016)

This applies to annual accounting periods starting on or after 1st January 2018. Earlier application is permitted.

In July 2014, the IASB completed the last phase of IAS 39 replacement by issuing IFRS 9 "Financial Instruments". The package of improvements introduced by IFRS 9 includes a logical model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting.

Classification and Measurement

Classification determines how financial assets and financial liabilities are accounted for in financial statements and, in particular, how they are measured on an ongoing basis. IFRS 9 introduces a logical approach for the classification of financial assets, which is driven by cash flow characteristics and the business model in which an asset is held. This single, principle-based approach replaces existing rule-based requirements that are generally considered to be overly complex and difficult to apply. The new model also results in a single impairment model being applied to all financial instruments, thereby removing a source of complexity associated with previous accounting requirements.

Impairment

During the financial crisis, the delayed recognition of credit losses on loans (and other financial instruments) was identified as a weakness in existing accounting standards. As part of IFRS 9, the IASB has introduced a new, expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis.

Hedge accounting

IFRS 9 introduces a substantially-reformed model for hedge accounting, with enhanced disclosures about risk management activity. The new model represents a significant overhaul of hedge accounting that aligns the accounting treatment with risk management activities, enabling entities to better reflect these activities in their financial statements. In addition, as a result of these changes, users of the financial statements will be provided with better information about risk management and the effect of hedge accounting on the financial statements.

Own credit

IFRS 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognised in profit or loss. Early application of this improvement to financial reporting, prior to any other changes in the accounting for financial instruments, is permitted by IFRS 9.

Based on the current assessment of the Group's management, IFRS 9 at its initial application and subsequent periods is not expected to have a material impact on the Group's financial statements. In particular, the following are estimated:

Classification and Measurement

The financial assets held by the Group on 1/1/2018, will continue to be measured on the same basis under the new standard and so no significant changes on financial assets classification and measurement are expected.

Impairment

The application of the new impairment model on 1/1/2018 led, based on current data, to a cumulative effect of €5.738 thousand after taxes in the Group and €2.688 thousand in the Company, that applying IFRS 9 and the "Modified retrospective method" was recognised as adjustment to "Retained Earnings" on 1/1/2018, while comparative 2017 figures do not require to be restated. Subsequent changes in market conditions and the business model of the Group may affect the above estimations.

Cummulative effect in Statement of Financial Position [increase/(decrease)] as of 1/1/2018

Amounts reported in thousand €	GROUP 1/1/2018	COMPANY 1/1/2018
ASSETS		
Investment in subsidiaries, associates and joint ventures	-1.150	0
Total Non-Current Assets	**-1.150**	**0**
Trade and other short term receivables	-4.588	-2.688
Total Current Assets	**-4.588**	**-2.688**
TOTAL ASSETS	**-5.378**	**-2.688**
EQUITY AND LIABILITIES		
Retained earnings	-5.738	-2.688
Total equity attributable to shareholders of the parent	**-5.738**	**-2.688**
Non-Controlling Interest	0	0
Total Equity	**-5.738**	**-2.688**
TOTAL EQUITY AND LIABILITIES	**-5.738**	**-2.688**

Hedge accounting

The application of the reformed hedge accounting model is not expected to have a significant effect on the accounting treatment of the hedging contracts normally conducted by the Group.

Own credit

New standard is not expected to have any impact on the accounting treatment of the Group financial liabilities, since the Group does not have any financial liabilities at fair value through profit or loss, but only financial liabilities at amortized cost.

IFRS 15 "Revenue from Contracts with Customers"

(COMMISSION REGULATION (EU) No. 2016/1905 of 22nd September 2016, L 295/19 - 29/10/2016)

This applies to annual accounting periods starting on or after 1st January 2018. Earlier application is permitted.

In May 2014, the International Accounting Standards Board (IASB), responsible for International Financial Reporting Standards (IFRS), and the Financial Accounting Standards Board (FASB), responsible for US Generally Accepted Accounting Principles (US GAAP), jointly issued a converged Standard on the recognition of revenue from contracts with customers. The Standard will improve the financial reporting of revenue and improve comparability of the financial statements globally.

Revenue is a vital metric for users of financial statements and is used to assess a company's financial performance and prospects. However, the previous requirements of both IFRS and US GAAP were different and often resulted in different accounting for transactions that were economically similar. Furthermore, while revenue recognition requirements of IFRS lacked sufficient detail, the accounting requirements of US GAAP were considered to be overly prescriptive and conflicting in certain areas.

Responding to these challenges, the boards have developed new, fully converged requirements for the recognition of revenue in both IFRS and US GAAP—providing substantial enhancements to the quality and consistency of how revenue is reported while also improving comparability in the financial statements of companies reporting using IFRS and US GAAP.

This new Standard replaces IAS 18, IAS 11 and the Interpretations IFRIC 13, IFRIC 15, IFRIC 18 and SIC 31 that are related to revenue recognition. The core principle of the new Standard is for companies to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the company expects to be entitled in exchange for those goods or services. The new Standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements.

The Group applied the new Standard since 1 January 2018 with the cumulative effect of the initial application recognized in the opening balance of "Retained Earnings" at the date of initial application. In addition, the Group has chosen to apply the Standard retrospectively only for contracts that have not been completed on the date of initial application.

The Group finalised during the first months of 2018 the analysis of the impact of the IFRS 15 application and has assessed the following as the most significant impact of the adoption of this Standard by category of business activities:

a) Licensed operations (Game operation):

During fiscal year 2017 Group revenue from the activities of the category "Licensed operations" was 68,3% of total revenue from continuing operations and amounted to €754.567 thous.

In this category, INTRALOT Group has the full game operating license in a country. In the case of operating the game, each Group company undertakes the overall organization of the games provided. Based on current Standards, revenue recognition in this category occurs the time that the relevant events or draws are taking place and is valued as the total amount received from the player-customer in order to participate in a game.

The application of IFRS 15 does not affect the revenue recognition in this category.

b) Management contacts (Game management):

During fiscal year 2017 Group revenue from the activities of the category "Management contracts" was 10,6% of total revenue from continuing operations and amounted to €117.101 thous.

In this category, the Group undertakes the provision of value added services, such as the design, organization and/ or management of games, advertising and sales promotion, establishment of sales network, risk management (for fixed odds games) e.t.c, to Organizations internationally. Group revenue usually consist of a percentage of the turnover of the games to which the above services are provided, the size of which is contractually determined based on the market size, the type of services rendered, the duration of the contract and other parameters.

Based on current Standards, revenue recognition occurs the moment that the player-customer pays the related consideration in order to participate in a game and equals to an amount calculated as a percentage on the total amount received by the lottery games organization from the player-customer. The application of IFRS 15 does not affect the recognition of revenue in this category.

c) Technology (hardware and software) and support services (technical):

During fiscal year 2017 Group revenue from "Technology and support services" was 21,1% of total revenue from continuing operations and amounted to €232.529 thous.

This category includes largely multi-element arrangements, which include both the sale of technological products (hardware and software), as well as the provision of installation services and subsequent support and maintenance services. This kind of contracts led to an effect from IFRS 15 application.

The accounting treatment in accordance with the current Standards and in accordance with IFRS 15 is as follows:

i) Technology (hardware and software): This category includes the supply of hardware and software (gaming machines, central computer systems, gaming software, communication systems etc.) to Lotteries so that they can operate their on-line games. Revenue is recognized either (a) as a direct sale of hardware and software, or (b) as operating lease, or (c) as finance lease for a predetermined time period according to the contract with the customer.

In the first (a) case, the revenue from the sales of hardware and software (in a determined value) is recognized when the significant risks and rewards arising from the ownership are transferred to the buyer. The application of IFRS 15 does not affect the recognition of revenue in this case, since the revenue recognition will occur at appoint of time when control of the technology (hardware and software) is transferred to the customer.

In the second (b) case that consists revenue from operating lease, is defined per case either on straight-line basis over the lease term or as a percentage on the Lottery Organization's gross turnover received by the player-customer (in this case income recognition occurs the moment that the player-customer places the related consideration in order to participate in a game). The application of IFRS 15 does not affect the recognition of revenue in this case, since it is subject to the principles of IAS 17.

In the third (c) case that consists revenue from finance lease, is defined using the net investment method (the difference between the gross amount of the receivable and its present value is registered as a deferred financial income). This method represents a constant periodic return, recognizing the revenue from the finance lease in the period's income statement during the lease term. The application of IFRS 15 does not affect the recognition of revenue in this case, since it is subject to the principles of IAS 17.

ii) Installation, (technical) support and maintenance services: This category includes the rendering of installation, technical support and maintenance services to Lotteries so that they can operate their on-line games. These services, as mentioned above, are sold either bundled (multi-element arrangements) together with the sale of technology products (hardware and software) to customers, or on their own in separate contracts with the customers. The Group accounts for the sales technology products (hardware and software) and installation, technical support and maintenance services as separate deliverables of bundled sales and allocates consideration between these deliverables using the relative fair value approach. Revenue recognition related to support services occurs by reference to the stage of completion of the transaction, at the reporting date. When applying IFRS 15, in the case of multiple-element arrangements, the individual performance obligations, as defined in the Standard, are identified first and which may in some cases differ from those identified in accordance with the existing Standards. Subsequently, the transaction price is allocated on the basis of the relevant standalone selling prices of each performance obligation recognized. This results in both the timing of revenue recognition from each obligation execution and the amount of revenue being varied.

Finally, the Group has long-term contracts with clients for which it has incurred a high cost before commencing. In accordance with IFRS 15, those costs are initially recognized as an asset and then amortized on a systematic basis that is consistent with the transfer of the goods or services to which the asset relates to the client.

The cumulative impact of the IFRS 15 initial application in the above cases is amounted to a loss of €937 thousand for the Group and €333 thousand for the Company, and was recognized in opening balance of "Retained Earnings" at the date of the initial application of the Standard, ie on 1 January 2018.

Cumulative impact in Statement of Financial Position [increase/(decrease)] on 1/1/2018

Amounts reported in thousand €	Adjustments	GROUP 1/1/2018	COMPANY 1/1/2018
ASSETS			
Intangible assets	(a)	1.302	0
Deferred Tax Asset	(d)	7	136
Total Non-Current Assets		**1.309**	**136**
TOTAL ASSETS		**1.309**	**136**
EQUITY AND LIABILITIES			
Retained earnings		-937	-333
Total equity attributable to shareholders of the parent		**-937**	**-333**
Non-Controlling Interest			
Total Equity		**-937**	**-333**
Other long term liabilities	(b)	1.905	365
Total Non-Current Liabilities		**1.905**	**365**
Trade and other short term liabilities	(c)	341	104
Total Current Liabilities		**341**	**104**
TOTAL LIABILITIES		**2.246**	**469**
TOTAL EQUITY AND LIABILITIES		**1.309**	**136**

Cumulative impact by geographical operating segment

Amounts reported in thousand €	GROUP 1/1/2018		
	European Union	America	Total
ASSETS			
Intangible assets	0	1.302	1.302
Deferred Tax Asset	358	-351	7
Total Non-Current Assets	**358**	**951**	**1.309**
TOTAL ASSETS	**358**	**951**	**1.309**
EQUITY AND LIABILITIES			
Retained earnings	-1.888	951	-937
Total equity attributable to shareholders of the parent	**-1.888**	**951**	**-937**
Non-Controlling Interest			
Total Equity	**-1.888**	**951**	**-937**
Other long term liabilities	1.905	0	1.905
Total Non-Current Liabilities	**1.905**	**0**	**1.905**
Trade and other short term liabilities	341	0	341
Total Current Liabilities	**341**	**0**	**341**
TOTAL LIABILITIES	**2.246**	**0**	**2.246**
TOTAL EQUITY AND LIABILITIES	**358**	**951**	**1.309**

All of the above adjustments of the Group Statement of Financial Position as of 1/1/2018 refer to the Group business activity "Technology and support services".

Impact in Income Statement of first six months of 2018

Amounts reported in thousand €	Adjustments	GROUP 1/1-30/6/2018	COMPANY 1/1-30/6/2018
Sale Proceeds	(b),(c)	186	68
Less: Cost of Sales	(a)	-71	0
Gross Profit /(loss)		**115**	**68**
EBIT		**115**	**68**
EBITDA		**186**	**68**
Foreign exchange differences		-10	-10
Operating Profit/(loss) before tax from continuing operations		**105**	**58**
Tax	(d)	-12	-17
Profit / (loss) after tax from continuing operations (a)		**93**	**41**
Profit / (loss) after tax from discontinued operations (b)		0	0
Profit / (loss) after tax (continuing and discontinued operations) (a)+(b)		**93**	**41**
Attributable to:			
Equity holders of parent			
-Profit/(loss) from continuing operations		93	41
-Profit/(loss) from discontinued operations		0	0
		93	**41**
Non-Controlling Interest			
-Profit/(loss) from continuing operations		0	0
-Profit/(loss) from discontinued operations		0	0
		0	**0**
Earnings/(loss) after tax per share (in €) from total operations			
-basic		0,0006	0,0003
-diluted		0,0006	0,0003
Weighted Average number of shares		156.194.331	156.194.331

Adjustments:

(a) Costs of contracts with clients

Refer to adjustments for costs incurred by the Group before commencing long-term contracts with clients, which according to IFRS 15 are initially recognized as an asset and then amortized on a systematic basis that is consistent with the transfer of the goods or services to which the asset relates to the client.

(b), (c) Deferred revenue from contracts with clients

Refer to adjustments for deferred revenue (non-current and current portion) of mutli-element arrangements (hardware, software and installation, technical support and maintenance services), for which the individual performance obligations, as defined in the IFRS 15, are identified first and which may in some cases differ from those identified in accordance with the existing Standards. Subsequently, the transaction price is allocated on the basis of the relevant standalone selling prices of each performance obligation recognized. This results in both the timing of revenue recognition from each obligation execution and the amount of revenue being varied.

(d) Deferred Tax Assets

Refer to adjustments for deferred tax impact of the above cases (a), (b) and (c).

Impact by geographical operating segment

Amounts reported in thousand €	GROUP 1/1-30/6/2018		
	European Union	America	Total
Sale Proceeds	186	0	186
Less: Cost of Sales	0	-71	-71
Gross Profit /(loss)	**186**	**-71**	**115**
EBIT	**186**	**-71**	**115**
EBITDA	**186**	**0**	**186**
Foreign exchange differences	-10	0	-10
Operating Profit/(loss) before tax from continuing operations	**176**	**-71**	**105**
Tax	-32	20	-12
Profit / (loss) after tax from continuing operations (a)	**144**	**-51**	**93**
Profit / (loss) after tax from discontinued operations (b)	0	0	0
Profit / (loss) after tax (continuing and discontinued operations) (a)+(b)	**144**	**-51**	**93**
Attributable to:			
Equity holders of parent			
-Profit/(loss) from continuing operations	144	-51	93
-Profit/(loss) from discontinued operations	0	0	0
	144	**-51**	**93**
Non-Controlling Interest			
-Profit/(loss) from continuing operations	0	0	0
-Profit/(loss) from discontinued operations	0	0	0
	0	**0**	**0**

All of the above adjustments of the Group Income Statement of first six months of 2018 refer to the Group business activity "Technology and support services".

Impact in Statement of Comprehensive Income of first six months of 2018

Amounts reported in thousand €	GROUP 1/1-30/6/2018	COMPANY 1/1-30/6/2018
Profit / (loss) after tax (continuing and discontinued operations) (a)+(b)	**93**	**41**
Attributable to:		
Equity holders of parent		
-Profit/(loss) from continuing operations	93	41
-Profit/(loss) from discontinued operations	0	0
	93	**41**
Non-Controlling Interest		
-Profit/(loss) from continuing operations	0	0
-Profit/(loss) from discontinued operations	0	0
	0	**0**
Other comprehensive income after tax		
Amounts that may be reclassified to profit or loss:		
Exchange differences on translating foreign operations of subsidiaries	-29	0
Other comprehensive income/ (expenses) after tax	**-29**	**0**
Total comprehensive income / (expenses) after tax	**64**	**41**
Attributable to:		
Equity holders of parent	64	41
Non-Controlling Interest	0	0

There is no significant impact in Cash Flow Statement of first six months of 2018.

IFRS 2 (Amendment) "Share-based Payment"

(COMMISSION REGULATION (EU) No. 2018/289 of 26th February 2018, L 55/21 - 27/2/2018)

This applies to annual accounting periods starting on or after 1st January 2018. Earlier application is permitted.

In June 2016 the IASB issued amendments in IFRS 2 "Share-based Payment", clarifying how to account for certain types of share-based payment transactions. The amendments, which were developed through the IFRS Interpretations Committee, provide requirements on the accounting for:

a. the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments;
b. share-based payment transactions with a net settlement feature for withholding tax obligations; and
c. a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

These amendments do not affect Group financial statements.

IFRS 4 (Amendment) "Insurance Contracts"

COMMISSION REGULATION (EU) No. 2017/1988 of 3rd November 2017, L 291/72 - 9/11/2017)

This applies to annual accounting periods starting on or after 1st January 2018.

In September 2016 the IASB issued amendments in IFRS 4 "Insurance Contracts", addressing concerns arising from implementing the new financial instruments Standard, IFRS 9, before implementing the replacement Standard that the IASB is developing for IFRS 4. These concerns include temporary volatility in reported results. The amendments introduce two approaches: an overlay approach and a deferral approach. The amended Standard will:

- give all companies that issue insurance contracts the option to recognize in other comprehensive income, rather than profit or loss, the volatility that could arise when IFRS 9 is applied before the new insurance contracts Standard is issued; and
- give companies whose activities are predominantly connected with insurance an optional temporary exemption from applying IFRS 9 until 2021. The entities that defer the application of IFRS 9 will continue to apply the existing financial instruments Standard—IAS 39.

The amendments to IFRS 4 supplement existing options in the Standard that can already be used to address the temporary volatility.

These amendments do not affect Group financial statements.

IAS 40 (Amendment) "Investment Property"

(COMMISSION REGULATION (EU) No. 2018/400 of 14th March 2018, L 72/13 - 15/3/2018)

This applies to annual accounting periods starting on or after 1st January 2018.

In December 2016 the IASB issued amendments in IAS 40 "Investment Property", clarifying that an entity shall transfer a property to, or form, investment property when, and only when, there is change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use.

These amendments do not affect Group financial statements.

IFRIC 22 "Foreign Currency Transactions and Advance Consideration"

(COMMISSION REGULATION (EU) No. 2018/519 of 28th March 2018, L 87/3 - 3/4/2018)

This applies to annual accounting periods starting on or after 1st January 2018.

In December 2016 the IASB issued the Interpretation IFRIC 22 "Foreign Currency Transactions and Advance Consideration" providing guidance on how to determine the date of the transaction when applying IAS 21 about foreign currency transactions. This Interpretation applies to foreign currency transactions when an entity recognizes a payment or receipt of advance consideration before the entity recognizes the related asset, expense or income.

These amendments are not expected to significantly affect the Group's financial statements.

Amendments that regard part of the annual improvement program of IASB (International Accounting Standards Board)

Annual Improvements to IFRSs 2014-2016 Cycle

COMMISSION REGULATION (EU) No. 2018/182 of 7th February 2018, L 34/1 - 8/2/2018)

IASB in its annual improvement program, published in December 2016 a Cycle of minor amendments to existing Standards. The Group will assess the impact of the new standard on its financial statements.

IFRS 1 "First-time Adoption of International Financial Reporting Standards"

The amendment applies to the annual fiscal periods beginning on or after the 1st of January, 2018.

The amendment deletes short-term exemptions for first-time adopters.

IFRS 12 "Disclosure of Interests in Other entities"

The amendment holds for the annual fiscal periods beginning on or after the 1st of January, 2017.

The amendment clarifies that the disclosure requirements in IFRS 12 apply to interests in entities within the scope of IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", apart from the requirements to disclose summarized financial information.

IAS 28 "Investments in Associates and Joint Ventures"

The amendment applies to the annual fiscal periods beginning on or after the 1st of January, 2018.

The amendment clarifies that when an investment in an associate or a joint venture is held by an entity that is a venture capital organization, or a mutual fund, and similar entities apply the election to measure that investment at fair value through profit or loss in accordance to IFRS 9, this election shall be made separately for each associate or joint venture, at initial recognition.

Standards and Interpretations compulsory after 31 December 2018

The following new standards, amendments and IFRICs have been published but are in effect for the annual fiscal period beginning the 1st of January 2019 and have not been adopted from the Group earlier.

IFRS 9 (Amendment) "Financial Instruments"

(COMMISSION REGULATION (EU) No. 2018/498 of 22nd March 2018, L 82/3 -26/3/2018)

This applies to annual accounting periods starting on or after 1st January 2019. Earlier application is permitted.

In October 2017, the IASB issued amendments in IFRS 9 "Financial Instruments" allowing companies to measure particular prepayable financial assets with so-called negative compensation at amortised cost or at fair value through other comprehensive income if a specified condition is met—instead of at fair value through profit or loss.

The Group will assess the impact of these amendments on its financial statements.

IFRS 16 "Leases"

(COMMISSION REGULATION (EU) No. 2017/1986 of 31st October 2017, L 291/1 - 9/11/2017)

This applies to annual accounting periods starting on or after 1st January 2019. Earlier application is permitted if IFRS 15 "Revenue from Contracts with Customers" has also been applied.

In January 2016, the IASB issued a new accounting Standard, called IFRS 16 "Leases" that replaces IAS 17 "Leases", and related Interpretations. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor').

As for lessee, IFRS 16 eliminates the classification of leases as either operating leases or finance leases as is required by IAS 17 and, instead, introduces a single lessee accounting model. Applying that model, a lessee is required to recognise:

(a) assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value; and

(b) depreciation of lease assets separately from interest on lease liabilities in the income statement.

As for lessor, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The new accounting standard will affect the accounting treatment of the operating leases of the Group as a lessee. On 30/6/2018 the Group had commitments from non-cancellable operating leases amounting to €€9.672 thousand (note 2.21.C.i). However, the Group has not yet determined to what extent these commitments will result in the recognition of liabilities for future payments, and how the new standard application will affect income statement as well as the classification of cash flows of the Group. Some of the above commitments may be exempted from the requirements of the new standard since they not meet criteria to qualify as leases or covered by the exception for short-term or/and low-value leases.

A more detailed assessment of the new standard effects will be carried out during the current year.

IFRS 10 & IAS 28 (Amendments) "Sale or contribution of Assets between an Investor and its Associate or Joint Venture"

In September 2014, the IASB announced that the amendments apply to annual accounting periods starting on or after 1st January 2016. In December 2015 it was announced that application is indefinitely deferred. Earlier application is permitted.

In September 2014, the IASB published amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures". The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. The Group will assess the impact of the amendment on its financial statements. These amendments have not yet been endorsed by the European Union.

IAS 28 (Amendment) "Investments in Associates and Joint Ventures"

This applies to annual accounting periods starting on or after 1st January 2019. Earlier application is permitted.

In October 2017 the IASB issued amendments in IAS 28 "Investments in Associates and Joint Ventures" clarifying that companies account for long-term interests in an associate or joint venture—to which the equity method is not applied—using IFRS 9.

The Group will assess the impact of the amendment on its financial statements. These amendments have not yet been endorsed by the European Union.

IAS 19 (Amendment) "Employee benefits"

This applies to annual accounting periods starting on or after 1st January 2019. Earlier application is permitted.

In February 2018 the IASB issued amendments in IAS 19 "Employee benefits" that require a company to use the updated assumptions from this remeasurement to determine current service cost and net interest for the remainder of the reporting period after the change to the plan. Until now, IAS 19 did not specify how to determine these expenses for the period after the change to the plan. By requiring the use of updated assumptions, the amendments are expected to provide useful information to users of financial statements.
The Group will assess the impact of the amendment on its financial statements. These amendments have not yet been endorsed by the European Union.

IFRIC 23 "Uncertainty over Income Tax Treatments"

This applies to annual accounting periods starting on or after 1st January 2019.
In June 2017 the IASB issued the Interpretation IFRIC 23 "Uncertainty over Income Tax Treatments" to specify how to reflect uncertainty in accounting for income taxes.
The Group will assess the impact of the new standard on its financial statements. These amendments have not yet been endorsed by the European Union.

IFRS 17 "Insurance Contracts"

This applies to annual accounting periods starting on or after 1st January 2021. Earlier application is permitted.
In May 2017, the IASB issued a new accounting Standard, called IFRS 17 "Insurance Contracts" that replaces IFRS 4 "Insurance Contracts", which was brought in as an interim Standard in 2004. IFRS 4 has given companies dispensation to carry on accounting for insurance contracts using national accounting standards, resulting in a multitude of different approaches. As a consequence, it is difficult for investors to compare and contrast the financial performance of otherwise similar companies. IFRS 17 solves the comparison problems created by IFRS 4 by requiring all insurance contracts to be accounted for in a consistent manner, benefiting both investors and insurance companies. Insurance obligations will be accounted for using current values, instead of historical cost. The information will be updated regularly, providing more useful information to users of financial statements.
This new standard does not affect Group financial statements and has not yet been endorsed by the European Union.

IFRS 14 "Regulatory Deferral Accounts" (interim Standard)

This applies to annual accounting periods starting on or after 1st January 2016. Earlier application is permitted.
The European Commission has decided not to launch the endorsement process of this interim standard and to wait for the final standard.
In January 2014, the IASB issued an interim Standard, IFRS 14 "Regulatory Deferral Accounts". The aim of this interim Standard is to enhance the comparability of financial reporting by entities that are engaged in rate-regulated activities. Many countries have industry sectors that are subject to rate regulation, whereby governments regulate the supply and pricing of particular types of activity by private entities. This can include utilities such as gas, electricity and water. Rate regulation can have a significant impact on the timing and amount of an entity's revenue. IFRS does not provide any specific guidance for rate-regulated activities. The IASB has a project to consider the broad issues of rate regulation and plans to publish a Discussion Paper on this subject. Pending the outcome of this comprehensive Rate-regulated Activities project, the IASB decided to develop IFRS 14 as an interim measure. IFRS 14 permits first-time adopters to continue to recognise amounts related to rate regulation in accordance with their previous GAAP requirements when they adopt IFRS. However, to enhance comparability with entities that already apply IFRS and do not recognise such amounts, the Standard requires that the effect of rate regulation must be presented separately from other items. An entity that already presents

IFRS financial statements is not eligible to apply the Standard. These amendments do not affect Group financial statements and have not yet been endorsed by the European Union.

Amendments that regard part of the annual improvement program of IASB (International Accounting Standards Board)

Annual Improvements to IFRSs 2015-2017 Cycle

IASB in its annual improvement program, published in December 2017 a Cycle of narrow-scope amendments to existing Standards that apply to annual accounting periods starting on or after 1st January 2019. Earlier application is permitted. The Group will assess the impact of the new standard on its financial statements. These amendments have not yet been endorsed by the European Union.

IFRS 3 "Business Combinations"

The amendment clarifies that a company remeasures its previously held interest in a joint operation when it obtains control of the business.

IFRS 11 "Joint Arrangements"

The amendment clarifies that a company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.

IAS 12 "Income Taxes"

The amendment clarifies that a company accounts for all income tax consequences of dividend payments in the same way.

IAS 23 "Borrowing Costs"

The amendment clarifies that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

2.1.5 EBITDA & EBIT

International Financial Reporting Standards (IFRS) do not define the content of the "EBITDA" & "EBIT". The Group taking into account the nature of its activities, as well as the Decision 6/448/11.10.2007 of the BoD of Hellenic Capital Market Commission and the relative Circular no.34 defines "EBITDA" as "Operating Profit/(Loss) before tax" adjusted for the figures "Profit/(loss) from equity method consolidations", "Exchange Differences", "Interest and similar income", "Interest and similar expenses", "Income/(expenses) from participations and investments", "Write-off and impairment loss of assets", "Gain/(loss) from assets disposal" and "Assets depreciation and amortization". Also, the Group defines "EBIT" as "Operating Profit/(Loss) before tax" adjusted for the figures "Profit/(loss) from equity method consolidations", "Exchange Differences", "Interest and similar income", "Interest and similar expenses", "Income/(expenses) from participations and investments" ,"Write-off and impairment loss of assets" and "Gain/(loss) from assets disposal".

Reconciliation of operating profit before tax to EBIT and EBITDA (continuing operations):	GROUP	
	1/1-30/6/2018	1/1-30/6/2017
Operating profit/(loss) before tax	**32.451**	**17.513**
Profit/(loss) equity method consolidation	-3	2.012

Foreign exchange differences	-3.603	4.235
Interest and similar income	-3.437	-3.321
Interest and similar expenses	25.423	26.890
Income / (expenses) from participations and investments	-2.733	-982
Gain / (loss) from assets disposal, impairment losses & write-off of assets	172	919
EBIT	**48.270**	**47.266**
Depreciation and amortization	31.810	34.826
EBITDA	**80.080**	**82.092**

Reconciliation of operating profit before tax to EBIT and EBITDA (continuing operations):	COMPANY	
	1/1-30/6/2018	1/1-30/6/2017
Operating profit/(loss) before tax	**-1.267**	**-2.516**
Foreign exchange differences	383	483
Interest and similar income	-1.822	-1.605
Interest and similar expenses	7.991	8.713
Income / (expenses) from participations and investments	-9.205	-11.456
Gain / (loss) from assets disposal, impairment losses & write-off of assets	0	6
EBIT	**-3.920**	**-6.375**
Depreciation and amortization	6.965	7.780
EBITDA	**3.045**	**1.405**

Project EBITDA of the Company

For the calculation of the project EBITDA of the Company, the direct costs of the projects are allocated directly to the projects for which they are carried out. Payroll costs related to the Company's production segments are recorded in "Cost of Sales" and are allocated to projects based on man effort at Company level. "Distribution Expenses" and "Administration Expenses" are monitored per project and allocated to them based on man effort at Company level. "Research and Development Expenses" are allocated to the projects in proportion to the revenues of each project in the total revenue of the Company. Furthermore, for the calculation of the Company’s “Gross” results per project, the relevant depreciation of tangible and intangible assets are accounted and the allocated operating “Distribution”, “Administration” and "Research and Development” expenses are deducted. In cases where the hours of work are redistributed from one project to another then the costs of disposal, administration and research and development are calculated accordingly.

2.1.6 Significant accounting judgments estimates and assumptions

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the amounts of revenues, expenses, assets liabilities and disclosures of contingent liabilities that included in the financial statements. On an ongoing basis, management evaluates its judgements, estimates and assumptions that mainly refer to goodwill impairment, allowance for doubtful receivables, provision for staff retirement indemnities, provision for impairment of inventories value, impairment of tangible and intangible assets as well as estimation of their useful lives, recognition of revenue and expenses, pending legal cases, provision for income tax and recoverability of deferred tax assets. These judgements, estimates and assumptions are based on historical experience and other factors including expectations of future events that are considered reasonable under the circumstances.

The key judgements, estimates and assumptions concerning the future and other key sources of uncertainty at the reporting date of the interim condensed financial statements for the period ended on 30 June 2018 and have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year, are consistent with those applied and were valid at the reporting date of the annual financial statements 31 December 2017.

Contract of OPAP technical support

Intralot Group relationship with Greek Organization of Football Prognostics S.A. (OPAP) began in 1999. On June 2018 The Group signed a four year technology contract with OPAP. Under this contract, the Group has undertaken the implementation of new Data Centers and the provision of hardware and system software as well as services for operation, maintenance, technical support and system development. On February 1, 2017 OPAP announced that they will not seek to renew their technology contract with the Group, which expires on July 30, 2018, and instead will appoint another technology provider. OPAP contract represented 2,4% of Group's revenue (from continuing operations) for the last twelve months ended 30/6/2018. Specifically, the contract for the period of the last 12 months to 30/6/2018 contributed to the Group revenues €27,2 million and absorbed direct expenses of €10,6 million and indirect expenses €6,1 million. On December 2017, the Group and OPAP agreed the extension of their cooperation specifically in the field of numerical lotteries and services with the signing of a new three-year contract that also includes an option for OPAP to renew for an additional two years.

2.1.7 Seasonality and cyclicality of operations

The Group revenue can fluctuate due to seasonality in some components of the worldwide operations. In particular, the majority of the Group sports betting revenue is generated from bets placed on European football, which has an off-season in the European summer that typically causes a corresponding periodic decrease in the Group revenue. In addition, Group revenue from lotteries can be somewhat dependent on the size of jackpots of lottery games during the relevant period. The Group revenue may also be affected by the scheduling of major football events that do not occur annually, notably the FIFA World Cup and UEFA European Championships, and by the performance of certain teams within specific tournaments, particularly where the national football teams, in the markets where the Group earns the majority of its revenue, fail to qualify for the World Cup. Furthermore, the cancellation or curtailment of significant sporting events, for example due to adverse weather, traffic or transport disruption or civil disturbances, may also affect Group revenue. This information is provided to allow for a better understanding of the revenue, however, Group management has concluded that this is not "highly seasonal" in accordance with IAS34.

2.2 INFORMATION PER SEGMENT

Intralot Group manages in 50 countries and states an expanded portfolio of contracts and gaming licenses. The grouping of the Group companies is based on the geographical location in which they are established. The financial results of the Group are presented in the following operating geographic segments based on the geographic location of the Group companies:

European Union:	Greece, Italy, Malta, Cyprus, Poland, Luxembourg, Spain, United Kingdom, Nederland, Romania, Bulgaria, Germany, Slovakia, Croatia and Republic of Ireland.
Other Europe:	Russia, Moldova.
America:	USA, Peru, Brazil, Argentina, Mexico, Jamaica, Chile, Colombia, Guatemala, Dominican Republic, Uruguay, Curacao and St. Lucia.
Other Countries:	Australia, New Zealand, China, South Africa, Turkey, South Korea, Lebanon, Azerbaijan, Taiwan and Morocco.

No two operating segments have been added.

The following information is based on the internal financial reports provided to the manager responsible for taking decisions who is the CEO. The performance of the segments is evaluated based on the sales and profit/(loss) before tax. The Group applies the same accounting policies for the financial results of the above segments as those of the consolidated financial statements. The transactions between segments are realized within the natural conditions present in the Group with similar way to that with third parties. The intragroup transactions are eliminated in group level and are included in the column "Eliminations".

1/1-30/6/2018

(in million €)	European Union	Other Europe	America	Other Countries	Eliminations	Total
Sales to third parties	295,10	1,01	100,38	151,13	0,00	547,62
Intragroup sales	24,50	0,00	0,20	0,00	-24,70	0,00
Total Sales	**319,60**	**1,01**	**100,58**	**151,13**	**-24,70**	**547,62**
Gross Profit	**38,74**	**-0,15**	**14,24**	**66,39**	**-2,73**	**116,49**
(Debit)/Credit interest & similar (expenses)/income	-22,00	0,12	-2,54	1,61	0,82	-21,99
Depreciation/Amortization	-17,52	-0,76	-10,70	-4,49	1,66	-31,81
Profit/(loss) consolidated with equity method	0,61	0,00	0,88	-1,49	0,00	0,00
Write-off & impairment of assets	-0,10	0,00	-0,08	0,00	0,00	-0,18
Write-off & impairment of investments	-0,01	0,00	-0,02	0,00	0,03	0,00
Doubtful provisions, write-off & impairment of receivables	-1,39	0,00	-0,13	-0,24	1,36	-0,40
Profit/(Loss) before tax and continuing operations	**37,42**	**-0,07**	**2,48**	**38,44**	**-45,82**	**32,45**
Tax	-1,88	-0,12	-2,34	-11,21	0,00	-15,55
Profit/(Loss) after tax from continuing operations	**35,54**	**-0,19**	**0,14**	**27,23**	**-45,82**	**16,90**
Profit/(Loss) after tax from discontinued operations	0,00	0,00	0,00	0,00	0,00	0,00
Profit/(Loss) after tax from total operations	**35,54**	**-0,19**	**0,14**	**27,23**	**-45,82**	**16,90**

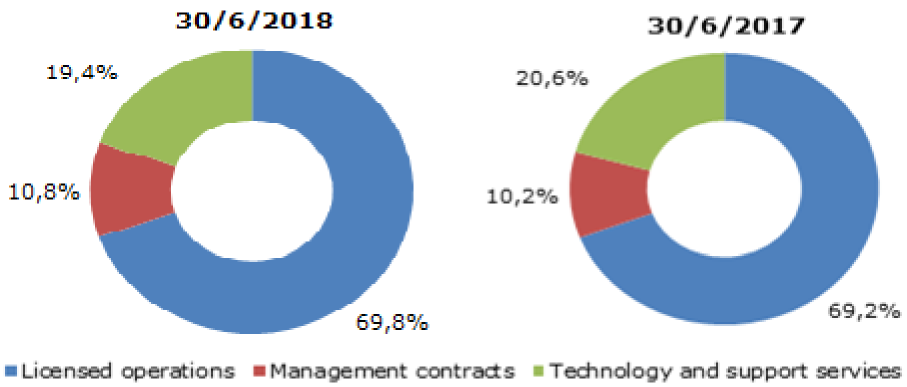
1/1-30/6/2017

(in million €)	European Union	Other Europe	America	Other Countries	Eliminations	Total
Sales to third parties	278,89	1,62	108,45	145,74	0,00	534,70
Intragroup sales	24,75	0,00	0,48	0,00	-25,23	0,00
Total Sales	**303,64**	**1,62**	**108,93**	**145,74**	**-25,23**	**534,70**
Gross Profit	**30,76**	**0,40**	**13,15**	**63,72**	**0,37**	**108,40**
(Debit)/Credit interest & similar (expenses)/income	-22,43	0,19	-2,79	1,40	0,06	-23,57
Depreciation/Amortization	-20,14	-0,79	-11,06	-4,98	2,14	-34,83
Profit/(loss) consolidated with equity method	-0,46	0,00	0,06	-1,61	0,00	-2,01
Write-off & impairment of assets	-0,01	-1,32	-0,07	0,34	0,00	-1,06
Write-off & impairment of investments	-41,47	0,00	0,00	0,00	41,47	0,00
Doubtful provisions, write-off & impairment of receivables	-1,38	0,00	-0,06	-0,42	1,14	-0,72
Reversal of doubtful provisions & recovery of written off receivables	0,00	0,00	0,00	0,03	0,00	0,03
Reversal of provisions for participations impairment	36,21	0,00	0,00	0,00	-36,21	0,00
Profit/(Loss) before tax and continuing operations	**5,78**	**-1,32**	**-1,28**	**37,04**	**-22,71**	**17,51**
Tax	-0,77	-0,20	-2,47	-11,63	0,00	-15,07
Profit/(Loss) after tax from continuing operations	**5,01**	**-1,52**	**-3,75**	**25,41**	**-22,71**	**2,44**
Profit/(Loss) after tax from discontinued operations	-0,01	-0,35	8,60	0,00	-13,64	-5,40
Profit/(Loss) after tax from total operations	**5,00**	**-1,87**	**4,85**	**25,41**	**-36,35**	**-2,96**

Sales per business activity (continuing operations) *(in thousand €)*	30/6/2018	30/6/2017	Change
Licensed operations	382.421	369.828	3,41%
Management contracts	59.304	54.794	8,23%
Technology and support services	105.893	110.079	-3,80%
Total	**547.618**	**534.701**	**2,42%**

The sales of the above business activities are coming from all geographical segments.

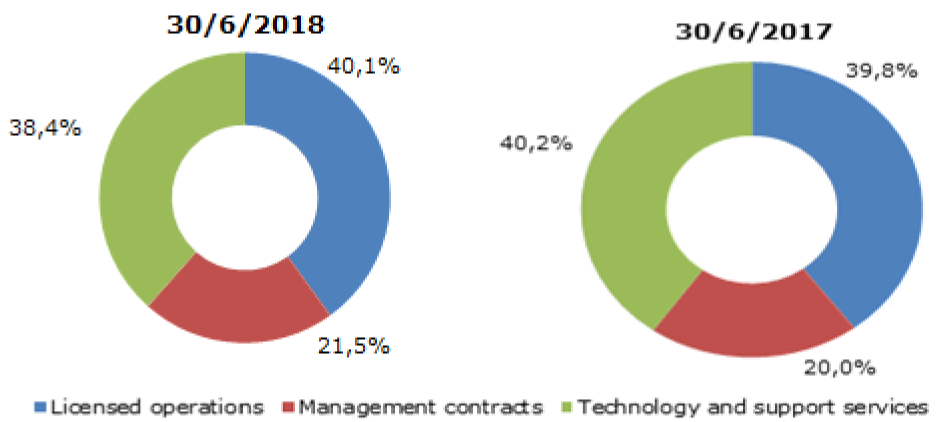
Sales per business activity



Sales per product type (continuing operations)	30/6/2018	30/6/2017
Lottery games	29,6%	32,5%
Sports Betting	58,3%	54,5%
IT products & services	6,7%	6,4%
Racing	2,6%	2,7%
Video Lottery Terminals	2,8%	3,9%
Total	**100%**	**100%**

Revenue Net of Payout (GGR) per business activity (continuing operations) *(in thousand €)*	30/6/2018	30/6/2017	Change
Licensed operations	110.379	108.913	1,35%
Management contracts	59.304	54.794	8,23%
Technology and support services	105.892	110.079	-3,80%
Total	**275.575**	**273.786**	**0,65%**

Revenue Net of Payout (GGR) per business activity



2.3 OTHER OPERATING INCOME

(continuing operations)	GROUP		COMPANY	
	30/6/2018	30/6/2017	30/6/2018	30/6/2017
Income from rents from third parties	5.533	6.720	0	0
Income from rents from subsidiaries	0	0	74	74
Income from uncollected winnings	467	550	0	0
Income from reversal of doubtful provisions and proceeds for written off receivables from third parties	4	30	0	0
Other income	1.337	1.495	12	12
Other income from affiliates	0	0	0	31
Total	**7.341**	**8.795**	**86**	**117**

2.4 INCOME TAX

GROUP (continuing operations)	30/6/2018	30/6/2017
Current income tax	15.235	16.304
Deferred income tax	-178	63
Tax audit differences and other taxes non-deductible	493	-1.294
Total income tax expense reported in income statement	**15.550**	**15.073**

The income tax expense for the Company was calculated to 29% on the taxable profit of the periods 1/1-30/6/2018 and 1/1-30/6/2017 respectively.

COMPANY	30/6/2018	30/6/2017
Current income tax	241	0
Deferred income tax	-116	-675
Tax audit differences and other taxes not deductible	13	-1.867
Total income tax expense reported in income statement	**138**	**-2.542**

2.5 INCOME / (EXPENSES) FROM PARTICIPATIONS AND INVESTMENTS

(continuing operations)	GROUP		COMPANY	
	30/6/2018	30/6/2017	30/6/2018	30/6/2017
Income from dividends	2.813	1.840	9.217	14.846
Gain from sale of participations and investments	117	24	0	1.055
Total income from participations and investments	**2.930**	**1.864**	**9.217**	**15.901**
Loss from sale of participations and investments	-197	-882	-12	0
Loss from impairment / write-offs of participations and investments	0	0	0	-4.445
Total expenses from participations and investments	**-197**	**-882**	**-12**	**-4.445**
Net result from participations and investments	**2.733**	**982**	**9.205**	**11.456**

2.6 GAIN / (LOSS) FROM ASSETS DISPOSAL, IMPAIRMENT LOSS & WRITE OFF OF ASSETS

(continuing operations)	GROUP		COMPANY	
	30/6/2018	30/6/2017	30/6/2018	30/6/2017
Gain from disposal of tangible and intangible assets	29	174	0	0
Loss from disposal of tangible and intangible assets	-18	-31	0	-6
Loss from impairment and write-off of tangible and intangible assets	-183	-1.062	0	0
Net result from tangible and intangible assets	**-172**	**-919**	**0**	**-6**

2.7 IMPAIRMENT, WRITE OFF AND PROVISIONS FOR DOUBTFUL DEBTS

Included in «Other operating expenses»:

(continuing operations)	GROUP		COMPANY	
	30/6/2018	30/6/2017	30/6/2018	30/6/2017
Provisions for doubtful receivables from subsidiaries	0	0	1.320	1.103
Provisions for doubtful receivables from debtors	288	658	0	250
Write-off of receivables from debtors	102	64	0	0
Write-off of receivables from other related parties	5	0	0	0
Total	**395**	**722**	**1.320**	**1.353**

2.8 INTEREST AND SIMILAR EXPENSES / INTEREST AND SIMILAR INCOME

(continuing operations)	GROUP		COMPANY	
	30/6/2018	30/6/2017	30/6/2018	30/6/2017
Interest Expense[1]	-24.651	-24.277	-8.239	-8.430
Finance costs	-606	-2.191	248	-283
Discounting	-166	-422	0	0
Total Interest and similar expenses	**-25.423**	**-26.890**	**-7.991**	**-8.713**
Interest Income	3.171	2.906	1.822	1.605
Discounting	266	415	0	0
Total Interest and similar Income	**3.437**	**3.321**	**1.822**	**1.605**
Net Interest and similar Income / (Expenses)	**-21.986**	**-23.569**	**-6.169**	**-7.108**

[1] Including the amortized costs, expenses and fees of banking institutions in connection with the issue of bond and syndicated loans, as well as repurchase of bond loans costs.

2.9 FOREIGN EXCHANGE DIFFERENCES

The Group reported in the Income Statement for the six months of 2018 gains from «Exchange differences» amounting €3.603 thousand (six months of 2017: losses €4.235 thousand) coming mainly from valuation of commercial and borrowing liabilities (intercompany and non) in EUR that various subsidiaries abroad, with a different functional currency than the Group, had at 30/6/2018, from valuation of cash in foreign currency other than the functional currency of each company as well as from valuation of trade receivables (from third parties and associates) in USD of the Company on 30/6/2018.

2.10 TANGIBLE AND INTANGIBLE ASSETS

Acquisitions and disposals of tangible and intangible assets:

During the six months of 2018, the Group acquired tangible (owner occupied) and intangible assets with acquisition cost €44.656 thousand (discontinued operations €0 thousand), (six months 2017: €38.747 thousand – discontinued operations €2.632 thousand).

Also, during the six months of 2018, the Group disposed tangible (owner occupied) and intangible assets with a net book value of €277 thousand (six months 2017: €142 thousand – discontinued operations €9 thousand), making a net gain amounting to €11 thousand (six months 2017: net gain €134 thousand – discontinued operations, net loss €9 thousand), which was recorded in the account "Gain/(loss) from assets disposal, impairment loss & write-off of assets".

Write-offs and impairment of tangible and intangible assets:

During the six months of 2018, the Group proceeded to writes-offs and impairments of tangible (owner-occupied) and intangible assets with a net book value of €183 thousand (six months 2017: €1.151

thousand – discontinued operations €89 thousand), which were recorded in the account "profit / (loss) from assets disposal, impairment loss & write-off of assets".

Exchange differences on valuation of tangible and intangible assets:

The net book value of tangible (owner-occupied and investment) and intangible assets of the Group decreased in the six months of 2018 due to foreign exchange valuation differences by €6,7 million.

Goodwill and Intangible assets with indefinite useful life impairment test

Management tests goodwill for impairment annually (December 31) or more frequently if events occur or changes in conditions indicate that the carrying value may have been reduced in accordance with accounting practice described in note 2.1.6.a «Business Combination and Goodwill» of the annual Financial Statements of 31 December 2017.

The Group tested goodwill for impairment on 31/12/2017 and the key assumptions that are used for the determination of the recoverable amount are disclosed below. The recoverable amounts of cash generating units have been determined based on value in use calculations using appropriate estimates regarding future cash flows and discount rates.

Specifically, goodwill arising on consolidation of acquired subsidiaries and intangible assets with indefinite useful life are allocated to the following cash generating units (CGU) by geographical area, which are the operating segments for impairment testing purposes:

Carrying amount:

CGU	Goodwill		Intangible assets with indefinite useful life	
	30/6/2018 [1]	31/12/2017	30/6/2018	31/12/2017
European Union	23.374	23.552	2.300	2.300
Other Europe	0	0	0	0
America	1.046	1.578	3	4
Other countries	28.028	32.911	0	0
Total	**52.448**	**58.041**	**2.303**	**2.304**

[1] The net decrease in goodwill during the six months of 2018 by €5.593 thousand is caused by foreign currency translation differences losses on goodwill valuation from acquisitions of foreign subsidiaries with a different functional currency made by the Group in the past.

Key assumptions:

The recoverable amount of each CGU is determined according to the calculations of value in use. The determination is obtained by the present value of estimated future cash flows expected to be generated by each CGU (discounted cash flow method - DCF). The cash flows are derived from the most recent approved by the management budgets for the next three years and do not include estimated future cash inflows or outflows expected to arise from future restructurings or from improving or enhancing the asset's performance which is tested for impairment. The expected cash flow projections beyond the period covered by the most recent budgets is estimated by extrapolating the projections based on the budgets, using a steady or declining growth rate for subsequent years, which does not exceed the long-term average growth rate for products, industries, countries in which the Group operates, or for the market in which the asset is used. The Group makes estimates beyond the period of five years where it has signed revenue contracts beyond five years as well as in cases where management believes that based on market data and renewals track record of the Group, the renewal of the relevant contracts beyond the five year period is very possible. Cash flow projections are based on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset, giving greater weight to external evidence. Management assesses the reasonableness of the assumptions underlying the current cash flow projections by examining the causes of differences between past cash flow projections and actual cash flows. Management also ensures that the assumptions on which its current cash flow projections are based are consistent with past actual outcomes, provided that subsequent events or circumstances that did not exist when those actual cash flows were generated make this appropriate. The value in use for CGUs affected (has sensitivity) of the following key factors (assumptions):

- Sales
- Growth rate used to extrapolate cash flows beyond the budget period, and
- Discount rates

Sales:

Sales projections are derived from estimates of local management of various subsidiaries. These projections are based on careful assessments of various factors, such as past performance, estimates of growth of the local market, competition - if exists, possible changes in the institutional framework governing the gambling market, the economic situation of the gambling industry and the market in general, new opportunities such as lotteries privatizations, etc.

Sales growth rate:

CGU	2017	2016
European Union	-0,9% - 5,4%	-1,2% - 25,9%
Other Europe	n/a	n/a
America	0,0% - 33,7%	0,0% - 3,8%
Other countries	0,0% - 3,6%	0,0% - 16,6%

Growth rate used to extrapolate cash flows beyond the budget period:

The factors taken into account for the calculation of the growth rate beyond the budgets period derive from external sources and include among others, the level of maturity of each market, the existence of barriers to entry for competitors, the economic situation of the market, existing competition and technology trends.

Growth rate beyond the budget period:

CGU	2017	2016
European Union	0,0% - 2,4%	0,0% - 2,3%
Other Europe	n/a	n/a
America	0,0% - 20,0%	0,0% - 4,6%
Other countries	0,0% - 2,0%	0,0% - 3,6%

Discount rates:

The discount rates represent the current market assessments of the risks personalized for each CGU, having made the necessary adjustments for the time value of money and possible risks specific to any assets that have not been included in the cash flow projections. The calculation of discount rates based on specific conditions under which the Group and its operating segments operate and calculated through the weighted average cost of capital method (WACC). The WACC takes into account both debt and equity. The cost of equity derives from the expected return that Group investors have for their investment. The Cost of debt is based on the interest rate of the loans that the Group must facilitate. The specific risk of each country is incorporated by implementing individualized sensitivity factors «beta» (beta factors). The sensitivity factors «beta» are evaluated annually based on published market data.

Discount rates:

CGU	2017	2016
European Union	6,6% - 7,3%	6,2% - 8,0%
Other Europe	n/a	n/a
America	21,7% - 21,7%	17,5% - 28,1%
Other countries	14,3% - 15,1%	12,0% - 14,1%

Recoverable amount sensitivity analysis:

On 31/12/2017, the Group analyzed the sensitivity of the recoverable amounts in a reasonable and possible change of some of the basic assumptions (such as the change of a percentage point to the growth rate beyond the budget period and the discount rates). This analysis does not show a situation in which the carrying amount of the Group's significant CGUs exceeds their recoverable amount.

2.11 INVESTMENT IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

GROUP INVESTMENT IN ASSOCIATES AND JOINT VENTURES	% Participation	Country	30/6/2018	31/12/2017
Lotrich Information Co LTD	40%	Taiwan	5.646	5.844
Goreward LTD Group	38,84%	China	47.781	47.000
Gamenet Group SpA	20%	Italy	63.288	67.523
Intralot de Peru SAC	20%	Peru	15.866	15.395
Karenia Enterprises Co Ltd	50%	Cyprus	6.735	0
Other			1	1
Total			**139.317**	**135.763**

GROUP INVESTMENT IN ASSOCIATES AND JOINT VENTURES	30/6/2018	31/12/2017
Opening Balance before the application of IFRS 9	**135.763**	**180.807**
Effect from the application of IFRS 9	-1.150	0
Opening Balance after the application of IFRS 9	**134.613**	**180.807**
Participation in net profit / (loss) of associates and joint ventures	3	-3.412
Change in consolidation method	0	-4.482
Additions/contribution in kind	6.740	848
Foreign exchange differences	2.454	-12.912
Impairment	0	-24.624
Dividends	-4.347	-645
Other	-146	183
Closing Balance	**139.317**	**135.763**

COMPANY INVESTMENT IN ASSOCIATES AND JOINT VENTURES	% Participation	Country	30/6/2018	31/12/2017
Lotrich Information Co LTD	40%	Taiwan	5.131	5.131
Intralot De Peru SAC	20%	Peru	5.528	5.528
Total			**10.659**	**10.659**

COMPANY INVESTMENT IN SUBSIDIARIES	% Participation	Country	30/6/2018	31/12/2017
Intralot Holdings International LTD	100%	Cyprus	4.464	4.464
Betting Company S.A.	95%	Greece	139	139
Inteltek Internet AS	20%	Turkey	15.231	15.231
Bilyoner Interactif Hizmelter AS	50,01%	Turkey	10.751	10.751
Intralot Global Securities BV	100,00%	Nederland	57.028	57.028
Intralot Global Holdings BV	0,002%	Nederland	37.268	37.268
Intralot Iberia Holdings SA	100%	Spain	5.638	5.638
Other			322	322
Total			**130.841**	**130.841**
Grand Total			**141.500**	**141.500**

COMPANY INVESTMENT IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES	30/6/2018	31/12/2017
Opening Balance	**141.500**	**155.740**
Provisions / reverse of provisions for impairment of affiliates	0	-15.295
Participation fee of affiliate	0	1.055
Closing Balance	**141.500**	**141.500**

2.12 OTHER FINANCIAL ASSETS

The other financial assets that have been classified by the Group as "equity instruments at fair value through other comprehensive income" and as "debt instruments at amortized cost" are analyzed below:

	GROUP		COMPANY	
	30/6/2018	31/12/2017	30/6/2018	31/12/2017
Opening Balance	**22.438**	**21.910**	**1.243**	**1.483**
Purchases	0	2.260	0	0
Disposals	0	-921	0	0
Return of capital	-3.130	0	0	0
Fair value revaluation	2.436	-685	39	-240
Exchange of shares with software	-4.400	0	0	0
Foreign exchange differences	-139	-112	0	0
Disposal of subsidiary	0	-14	0	0
Closing balance	**17.205**	**22.438**	**1.282**	**1.243**
Quoted securities	1.410	1.600	51	60
Unquoted securities	15.795	20.838	1.231	1.183
Total	**17.205**	**22.438**	**1.282**	**1.243**
Long-term Financial Assets	16.327	21.524	1.234	1.243
Short-term Financial Assets	878	914	48	0
Total	**17.205**	**22.438**	**1.282**	**1.243**

During the six months of 2018, the Group gain arising from the valuation at fair value of the above financial assets amounting €2.436 thousand (six months 2017: losses €207 thousand) are analyzed in gains amounting €2.381 thousand (six months 2017: losses €95 thousand) reported in particular equity reserves (revaluation reserve and hedging reserve) and in gains amounting €55 thousand (six months 2017: losses of €112 thousand) reported in the income statement. Respectively for the Company, gains amounting €39 thousand (six months 2017: losses of €201 thousand) are analyzed in gain amounting €39 thousand (six months 2017: losses of €201 thousand) that were reported in particular equity reserves (revaluation reserve and hedging reserve).

For investments that are actively traded in organized financial markets, the fair value is determined by reference to the closing price at the reporting date. For investments where there is no corresponding market price, fair value is determined by reference to the current market value of another instrument that is substantially the same or estimated based on expected cash flows of the net assets underlying the investment or acquisition value.

2.13 INVENTORIES

	GROUP		COMPANY	
	30/6/2018	31/12/2017	30/6/2018	31/12/2017
Merchandise – Equipment	34.299	29.217	20.266	18.839
Other	12.351	3.803	0	0
Total	**46.650**	**33.020**	**20.266**	**18.839**
Provisions for impairment	-1.536	-1.538	0	0
Total	**45.114**	**31.482**	**20.266**	**18.839**

The burden on the six month results of 2018, from disposals/usage and provision of inventories for the Group amounts to €2.176 thousand (six months of 2017: €1.059 thousand) while for the Company amounts to €1.322 thousand (six months of 2017: €717 thousand) and is included in "Cost of Sales".

Reconciliation of changes in inventories provision for impairment	GROUP		COMPANY	
	30/6/2018	31/12/2017	30/6/2018	31/12/2017
Opening balance for the period	**-1.538**	**-2.078**	**0**	**0**
Transfer of inventories to tangible assets	0	500	0	0
Foreign exchange differences	2	40	0	0
Closing balance for the period	**-1.536**	**-1.538**	**0**	**0**

There are no liens on inventories.

2.14 CASH AND CASH EQUIVALENTS

Bank current accounts are either non-interest bearing or interest bearing and yield income at the daily bank interest rates. The short term deposits are made for periods from one day to three months depending on the Group's cash requirements and yield income at the applicable prevailing interest rates. For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of:

	GROUP		COMPANY	
	30/6/2018	31/12/2017	30/6/2018	31/12/2017
Cash and bank current accounts	194.018	236.855	19.331	20.434
Short term time deposits / investments (cash equivalents)	833	1.186	0	0
Total	**194.851**	**238.041**	**19.331**	**20.434**

2.15 SHARE CAPITAL, TREASURY SHARES AND RESERVES

Share Capital

Total number of authorized shares	30/6/2018	31/12/2017
Ordinary shares of nominal value €0,30 each	156.961.721	158.961.721

Issued and fully paid shares	Number of ordinary shares	€'000
Balance 1 January 2017	**158.961.721**	**47.689**
Issue of new shares	0	0
Balance 31 December 2017	**158.961.721**	**47.689**
Share capital decrease by cancelation of treasury shares	-2.000.000	-600
Balance 30 June 2018	**156.961.721**	**47.089**

On 16/5/2018 the Shareholder's Annual General Meeting approved the decrease of the share capital of the Company by 2.000.000 shares (€600 thousand) with corresponding cancellation of 2.000.000 own shares.

Treasury Shares

Share buyback program 11.6.2014 - 11.6.2018:

The Company, according to article 16, C.L. 2190/1920, article 4.1.4.2 of the regulation of ATHEX and based on the resolution of the Shareholder's Annual General Meeting on 11.6.2014, as amended by the resolution of the Shareholder's Annual General Meeting of 19.5.2015 and 18.5.2017, has approved a treasury shares buy-back program from the Company, of up to 10% of the paid share capital, for the time period of 24 months with effect from 11.06.2014 and until 11.06.2018, with a minimum price of €1,00 and maximum price of €12,00. It has also been approved that the treasury shares which will eventually be acquired may be held for future acquisition of shares of another company or be distributed to the Company's employees or the staff of a company related with it. The above programme was cancelled with a relevant decision of the Shareholder's Annual General Meeting on 16.5.2018.

Share buyback program 16.5.2018 - 16.5.2020:

The Company, according to article 16, C.L. 2190/1920, article 4.1.4.2 of the regulation of ATHEX and based on the resolution of the Shareholder's Annual General Meeting on 16.5.2018, has approved a treasury shares buy-back program from the Company, of up to 10% of the paid share capital, including treasury shares which might have been acquired and held by the Company (on 16/5/2018 amounted 748.661 treasury shares that is 0,48% of the share capital following the cancelation of 2.000.000 treasury shares and a relevant decrease in the share capital of the Company as approved by the Shareholder's Annual General Meeting for a period of 24 months with effect from 16.5.2018 and until 16.5.2020, with a minimum price of €0,30 and maximum price of €12,00 cancelling the previous programme that was about to end on 11.6.2018. It has also been approved that the treasury shares which will eventually be acquired may be held for future acquisition of shares of another company or be distributed to the Company's employees or the staff of a company related with it. During the six months of 2018, the Company purchased 5.444.410 treasury shares (3,469% of the Company's share capital) at an average price of €1,01 per share, totalling €5.523 thousand. Until 30/6/2018 the Company has purchased 5.425.664 treasury shares (3,46% of the company's share capital) with average price €1,01 per share, with total price of €5.462 thousand subtracting 2.000.000 treasury shares (1,27% of the share capital of the Company) at an average purchase price of €1,10, that were cancelled from the Shareholder's Annual General Meeting of 16.05.2018. During the third quarter of 2018 until the date of approval of the financial statements of 30/6/2018, the Company purchased 2.669.882 treasury shares (1,701% of the share capital of the Company, at an average price of €0,86 per share, totaling €2.295 thousand, forming total repurchases of 8.095.546 treasury shares (5,16% of the Company's share capital) at an average price €0,96 per share and total value of €7.757 thousand.

	GROUP		COMPANY	
	Number of ordinary shares	€ '000	Number of ordinary shares	€ '000
Balance 1 January 2017	**1.582.769**	**1.709**	**1.582.769**	**1.709**
Repurchase of treasury shares	869.231	930	869.231	930
Disposal of treasury shares	-470.746	-490	-470.746	-490
Balance 31 December 2017	**1.981.254**	**2.149**	**1.981.254**	**2.149**
Repurchase of treasury shares	5.444.410	5.523	5.444.410	5.523
Cancellation of treasury shares	-2.000.000	-2.210	-2.000.000	-2.210
Balance 30 June 2018	**5.425.664**	**5.462**	**5.425.664**	**5.462**

Reserves

Foreign exchange differences reserve

This reserve is used to report the exchange differences arising from the translation of foreign subsidiaries' financial statements. The balance of this reserve in the Group on 30/6/2018 was €-81,7 million (31/12/2017: €-76,7 million). The Group had a total net loss which was reported in the statement of comprehensive income from the change in the fair value reserve during the six months of 2018 amounting to €8,4 million, out of which loss of €5,0 million is attributable to the owners of the parent and a loss of €3,4 million to non-controlling interest. The above total net loss for the six months of 2018 comes mainly from the fluctuation of the TRY, ARS and AZN against the EUR.

The main exchange rates of abroad subsidiaries financial statements conversion were:

- **Statement of Financial Position**:

	30/6/2018	31/12/2017	Change
EUR / USD	1,17	1,20	-2,50%
EUR / AUD	1,58	1,53	3,27%
EUR / TRY	5,34	4,55	17,36%
EUR / PEN	3,84	3,89	-1,29%
EUR / AZN	1,99	2,04	-2,45%
EUR / ARS	33,78	22,39	50,87%
EUR / PLN	4,37	4,18	4,55%
EUR / BRL	4,49	3,97	13,10%

- **Income Statement**:

	Avg. 1/1-30/6/2018	Avg. 1/1-30/6/2017	Change
EUR / USD	1,21	1,08	12,04%
EUR / AUD	1,57	1,44	9,03%
EUR / TRY	4,96	3,94	25,89%
EUR / PEN	3,93	3,55	10,70%
EUR / AZN	2,05	1,89	8,47%
EUR / ARS	26,08	17,01	53,32%
EUR / PLN	4,22	4,27	-1,17%
EUR / BRL	4,14	3,44	20,35%

Other Reserves

	GROUP		COMPANY	
	30/6/2018	31/12/2017	30/6/2018	31/12/2017
Statutory reserve	28.240	28.201	15.896	15.896
Extraordinary reserves	1.689	1.689	1.456	1.456
Tax free and specially taxed reserves	31.325	31.334	28.601	28.601
Treasury shares reserve	5	5	5	5
Actuarial differences reserve	-190	-190	-186	-186
Hedging reserve	48	-18	48	-18
Revaluation reserve	-1.950	-4.283	-2.184	-2.175
Total	**59.167**	**56.738**	**43.636**	**43.579**

Analysis of changes in other comprehensive income by category of reserves

GROUP 1/1-30/6/2018	Actuarial differences reserve	Revaluation reserve	Hedging reserve	Foreign exchange differences reserve	Retained earnings	Total	Non-controlling interest	Grand total
Defined benefit plans revaluation of subsidiaries and parent company					6	**6**	6	**12**
Revaluation of defined benefit plans of associates and joint ventures					-105	**-105**		**-105**
Valuation of assets at fair value through other comprehensive income, of subsidiaries and parent company		2.334				**2.334**	-1	**2.333**
Valuation of derivatives of subsidiaries and parent company			66			**66**		**66**
Foreign exchange differences on consolidation of subsidiaries				-7.424		**-7.424**	-3.419	**-10.843**
Share of foreign exchange differences on consolidation of associates and joint ventures				2.454		**2.454**		**2.454**
Other comprehensive income / (expenses) after tax	**0**	**2.334**	**66**	**-4.970**	**-99**	**-2.669**	**-3.414**	**-6.083**

GROUP 1/1-30/6/2017	Actuarial differences reserve	Revaluation reserve	Hedging reserve	Foreign exchange differences reserve	Retained Earnings	Total	Non-controlling interest	Grand total
Defined benefit plans revaluation of subsidiaries and parent company	-4				1	**-3**	-4	**-7**
Defined benefit plans revaluation of associates and joint ventures	4					**4**		**4**
Valuation of assets measured at fair value through other comprehensive income, of subsidiaries and parent company		111				**111**	16	**127**
Share of valuation of assets valued at fair value through other comprehensive income of associates and joint ventures		-11				**-11**		**-11**
Valuation of derivatives of subsidiaries and parent company			61			**61**		**61**
Foreign exchange differences on consolidation of subsidiaries				4.641		**4.641**	-6.054	**-1.413**
Share of foreign exchange differences on consolidation of associates and joint ventures				-8.195		**-8.195**		**-8.195**
Other comprehensive income / (expenses) after tax	**0**	**100**	**61**	**-3.554**	**1**	**-3.392**	**-6.042**	**-9.434**

COMPANY 1/1-30/6/2018	Revaluation reserve	Hedging reserve	Total
Valuation of assets measured at fair value through other comprehensive income	-9	0	**-9**
Valuation of derivatives	0	66	**66**
Other comprehensive income / (expenses) after tax	**-9**	**66**	**57**

COMPANY 1/1-30/6/2017	Revaluation reserve	Hedging reserve	Total
Valuation of assets measured at fair value through other comprehensive income	-262	0	**-262**
Valuation of derivatives	0	61	**61**
Other comprehensive income / (expenses) after tax	**-262**	**61**	**-201**

2.16 DIVIDENDS

	GROUP		COMPANY	
Declared dividends of ordinary shares:	**30/6/2018**	**31/12/2017**	**30/6/2018**	**31/12/2017**
Final dividend of 2014	0	173	0	0
Final dividend of 2015	0	482	0	0
Final dividend of 2016	512	26.433	0	0
Interim dividend of 2017	0	17.807	0	0
Final dividend of 2017	22.571	0	0	0
Interim dividend of 2018	3.745	0	0	0
Dividend per statement of changes in equity	**26.828**	**44.895**	**0**	**0**

Paid Dividends on ordinary shares:

During the six months of 2018 dividends paid on ordinary shares, aggregated €27.752 thousand (six months 2017: €27.497 thousand).

2.17 LONG TERM LOANS

			GROUP		COMPANY	
	Currency	**Interest rate**	**30/6/2018**	**31/12/2017**	**30/6/2018**	**31/12/2017**
Facility A (€250,0 million)	EUR	6,75%	248.397	247.520	0	0
Facility B (€500,0 million)	EUR	5,25%	492.325	490.956	0	0
Intercompany Loans			0	0	255.395	232.179
Other			27.242	7.439	0	0
Total Loans			**767.964**	**745.915**	**255.395**	**232.179**
Less: Payable during the next year			-23.001	-17.927	0	0
Repurchase of Facility B			-4.923	0	0	0
Long Term Loans			**740.040**	**727.988**	**255.395**	**232.179**

- Facility A: In September 2016, Intralot Capital Luxembourg, issued Senior Notes with a nominal value of €250 million, guaranteed by the parent company and subsidiaries of the Group, due 15 September 2021. The Notes were offered at an issue price of 100,000%. Interest is payable semi-annually at an annual fixed nominal coupon of 6,75%. The Notes are trading on the Luxembourg Stock Exchanges Euro MTF Market. The Notes bear the Group financial covenants with respect to total Net Debt to EBITDA (EBITDA/ "Consolidated Cash Flow") (Senior Leverage ratio <3,75), and financial expenses coverage ratio (Fixed Charge Coverage ratio >2,00).The Group was in compliance with the covenants under Notes as at 30/06/2018.

- Facility B: In September 2017, Intralot Capital Luxembourg issued Senior Notes with a nominal value of €500,0 million, guaranteed by the parent company and subsidiaries of the Group, due 15 September 2024. The Notes were offered at an issue price of 100,000%. Interest is payable semi-annually at an annual fixed nominal coupon of 5,25%. The Notes are trading on the Luxembourg Stock Exchanges Euro MTF Market. The Notes bear the Group financial covenants with respect to total Net Debt to EBITDA (EBITDA/ "Consolidated Cash Flow") (Senior Leverage ratio <3,75), and financial expenses coverage ratio (Fixed Charge Coverage ratio >2,00). The Group was in compliance with the covenants under Notes as at 30/6/2018. During the second quarter of 2018 and up to the date of approval of the interim financial statements of 30/6/2018, the Group proceeded to the repurchase of bonds with nominal value of €5,0 million, forming the total outstanding nominal amount at €495,0 million.

The Company, the subsidiaries of the Group or other related parties, or agents on its or their behalf, may from time to time purchase and/or re-sell bonds of the Group (Facility A & B) in one or more series of open-market transactions from time to time. The Group does not intend to disclose the extent of any such purchase or re-sale otherwise than in accordance with any legal or regulatory obligation the Group may have to do so.

In December 2017 and February 2018, Intralot Finance UK Ltd signed loan agreements guaranteed by the parent and subsidiaries of the Group amounting to €95 million (€80 million in the form of revolving facilities and €15 million as term loan). Loan agreements mature on 30/6/2021 (with an extension option up to 31/12/2022 in case Facility A has been fully repaid until 30/6/2021), bear a floating rate (Euribor) plus a 4,50% margin regarding revolving facility and 2,75% as for term loan. Under the facility agreements the Group has the right to borrow, repay and utilize the loan limit until maturity. Additionally, voluntary prepayments and commitment reductions under the credit agreements are permitted at any time in whole or in part, without premium or penalty (other than break-funding costs). The financial terms of the above loans, include minimum ratio requirements of total net debt to EBITDA (Leverage Ratio) and the Interest Coverage ratio. On 30/6/2018 the Group had only used term loan of €15 million. On 31/12/2017 the Group covers the financial covenants of the above loans.

Reconciliation of liabilities arising from financing activities:

GROUP	Balance 31/12/2017	Cash flows	Non cash adjustments				Balance 31/3/2018
			Accrued interest	Foreign exchange differences	Transfers	Issue costs/Repurchase results	
Long term loans	727.988	9.865	33	0	2.253	-99	740.040
Short term loans	17.927	-16.692	23.849	170	-2.253	0	23.001
Long term finance lease	1.389	1.154	0	80	0	0	2.623
Short term finance lease	1.418	257	4	43	0	0	1.722
Total liabilities from financing activities	**748.722**	**-5.416**	**23.886**	**293**	**0**	**-99**	**767.386**

GROUP	Balance 31/12/2016	Cash flows	Non cash adjustments					Balance 31/12/2017
			Accrued interest	Foreign exchange differences	New consolidated entities / Companies disposal	Transfers	Loss on bond buy back / Unpaid issuing cost	
Long term loans	643.892	91.501	4.278	-122	-1.786	7.214	-16.989	727.988
Short term loans	13.273	-45.411	59.363	-527	-703	-8.068	0	17.927
Long term finance lease	684	3.084	0	-261	-2.118	0	0	1.389
Short term finance lease	1.460	10	75	-110	-17	0	0	1.418
Total liabilities from financing activities	**659.309**	**49.184**	**63.716**	**-1.020**	**-4.624**	**-854**	**-16.989**	**748.722**

2.18 SHARED BASED BENEFITS

The Group had no active option plan during the six months of 2018.

2.19 FINANCIAL ASSETS AND LIABILITIES

The financial assets and liabilities of the Group, excluding cash and cash equivalents are analyzed as follows:

30/6/2018	GROUP			
Financial assets:	**Debt instruments at amortized cost**	**Equity instruments at fair value through other comprehensive income**	**Derivative financial assets at fair value through other comprehensive income**	**Total**
Debtors	84.589	0	0	**84.589**
Receivables from related parties	23.191	0	0	**23.191**
Prepaid expenses and other receivable	62.907	0	0	**62.907**
Bad debtors provisions	-17.990	0	0	**-17.990**
Other quoted financial assets	830	580	0	**1.410**
Other unquoted financial assets	0	15.747	48	**15.795**
Total	**153.527**	**16.327**	**48**	**169.902**
Long term	19.455	16.327	0	**35.782**
Short term	134.072	0	48	**134.120**
Total	**153.527**	**16.327**	**48**	**169.902**

31/12/2017	GROUP		
Financial assets:	**Debt instruments at amortized cost**	**Equity instruments at fair value through other comprehensive income**	**Total**
Debtors	92.263	0	**92.263**
Receivables from related parties	21.703	0	**21.703**
Prepaid expenses and other receivable	61.241	0	**61.241**
Bad debtors provisions	-13.117	0	**-13.117**
Other quoted financial assets	914	686	**1.600**
Other unquoted financial assets	0	20.838	**20.838**
Total	**163.004**	**21.524**	**184.528**
Long term	16.515	21.524	**38.039**
Short term	146.489	0	**146.489**
Total	**163.004**	**21.524**	**184.528**

30/6/2018	GROUP			
Financial liabilities	**Financial liabilities measured at amortized cost**	**Financial liabilities at fair value through profit and loss**	**Financial liabilities at fair value through other comprehensive income**	**Total**
Creditors	51.036	0	0	**51.036**
Payables to related parties	5.149	0	0	**5.149**
Other liabilities	61.450	0	0	**61.450**
Borrowing and finance lease	767.386	0	0	**767.386**
Total	**885.021**	**0**	**0**	**885.021**
Long term	747.443	0	0	**747.443**
Short term	137.578	0	0	**137.578**
Total	**885.021**	**0**	**0**	**885.021**

31/12/2017	GROUP			
Financial liabilities	**Financial liabilities measured at amortized cost**	**Financial liabilities at fair value through profit and loss**	**Financial liabilities at fair value through other comprehensive income**	**Total**
Creditors	50.135	0	0	**50.135**
Payables to related parties	22.639	0	0	**22.639**
Other liabilities	65.121	0	0	**65.121**
Derivatives	0	0	18	**18**
Borrowing and finance lease	748.722	0	0	**748.722**
Total	**886.617**	**0**	**18**	**886.635**
Long term	730.446	0	0	**730.446**
Short term	156.171	0	18	**156.189**
Total	**886.617**	**0**	**18**	**886.635**

Below is the analysis of the financial assets and liabilities of the Company excluding cash and cash equivalents:

30/6/2018	COMPANY			
Financial assets:	**Debt instruments at amortized cost**	**Equity instruments at fair value through other comprehensive income**	**Derivative financial assets at fair value through other comprehensive income**	**Total**
Trade receivables	39.068	0	0	**39.068**
Receivables from related parties	87.394	0	0	**87.394**
Prepaid expenses and other receivable	22.895	0	0	**22.895**
Bad debtors provisions	-50.529	0	0	**-50.529**
Other quoted financial assets	0	51	0	**51**
Other unquoted financial assets	0	1.183	48	**1.231**
Total	**98.828**	**1.234**	**48**	**100.110**
Long term	138	1.234	0	**1.372**
Short term	98.690	0	48	**98.738**
Total	**98.828**	**1.234**	**48**	**100.110**

31/12/2017	COMPANY		
Financial assets:	**Debt instruments at amortized cost**	**Equity instruments at fair value through other comprehensive income**	**Total**
Trade receivables	41.769	0	**41.769**
Receivables from related parties	88.757	0	**88.757**
Prepaid expenses and other receivable	24.612	0	**24.612**
Bad debtors provisions	-49.079	0	**-49.079**
Other quoted financial assets	0	60	**60**
Other unquoted financial assets	0	1.183	**1.183**
Total	**106.059**	**1.243**	**107.302**
Long term	142	1.243	**1.385**
Short term	105.917	0	**105.917**
Total	**106.059**	**1.243**	**107.302**

30/6/2018	COMPANY			
Financial liabilities	**Financial liabilities measured at amortized cost**	**Financial liabilities at fair value through profit and loss**	**Financial liabilities at fair value through other comprehensive income**	**Total**
Creditors	11.329	0	0	**11.329**
Payables to related parties	24.425	0	0	**24.425**
Other liabilities	8.586	0	0	**8.586**
Borrowing and finance lease	255.395	0	0	**255.395**
Total	**299.735**	**0**	**0**	**299.735**
Long term	255.717	0	0	**255.717**
Short term	44.018	0	0	**44.018**
Total	**299.735**	**0**	**0**	**299.735**

31/12/2017	COMPANY			
Financial liabilities	**Financial liabilities measured at amortized cost**	**Financial liabilities at fair value through profit and loss**	**Financial liabilities at fair value through other comprehensive income**	**Total**
Creditors	14.628	0	0	**14.628**
Payables to related parties	37.662	0	0	**37.662**
Other liabilities	9.602	0	0	**9.602**
Derivatives	0	0	18	**18**
Borrowing and finance lease	232.179	0	0	**232.179**
Total	**294.071**	**0**	**18**	**294.089**
Long term	232.179	0	0	**232.179**
Short term	61.892	0	18	**61.910**
Total	**294.071**	**0**	**18**	**294.089**

Estimated fair value

Below is a comparison by category of carrying amounts and fair values of financial assets and liabilities of the Group and the Company as at 30 June 2018 and 31 December 2017:

	GROUP			
	Carrying Amount		Fair Value	
Financial Assets	**30/6/2018**	**31/12/2017**	**30/6/2018**	**31/12/2017**
Other long-term financial assets - classified as "equity instruments at fair value through other comprehensive income "	16.327	21.524	16.327	21.524
Other long-term receivables	19.455	16.515	19.455	16.515
Trade and other short-term receivables	133.242	145.575	133.242	145.575
Other short-term financial assets classified as "debt instruments at amortized cost"	830	914	809	871
Short-term derivative financial assets at fair value through other comprehensive income	48	0	48	0
Cash and cash equivalents	194.851	238.041	194.851	238.041
Total	**364.753**	**422.569**	**364.732**	**422.526**

Financial Liabilities				
Long-term loans	740.040	727.988	654.860	766.794
Other long-term liabilities	4.780	1.069	4.780	1.069
Liabilities from finance leases	2.623	1.389	2.623	1.389
Trade and other short term payables	112.855	136.844	112.855	136.844
Short-term loans and finance lease	24.723	19.345	23.375	20.030
Total	**885.021**	**886.635**	**798.493**	**926.126**

	COMPANY			
	Carrying Amount		**Fair Value**	
Financial Assets	**30/6/2018**	**31/12/2017**	**30/6/2018**	**31/12/2017**
Other long-term financial assets - classified as "equity instruments at fair value through other comprehensive income "	1.234	1.243	1.234	1.243
Other long-term receivables	138	142	138	142
Trade and other short-term receivables	98.690	105.917	98.690	105.917
Short-term derivative financial assets at fair value through other comprehensive income	48	0	48	0
Cash and cash equivalents	19.331	20.434	19.331	20.434
Total	**119.441**	**127.736**	**119.441**	**127.736**
Financial Liabilities				
Long-term loans	255.395	232.179	255.395	232.179
Other long-term liabilities	322	0	322	0
Trade and other short term payables	44.018	61.910	44.018	61.910
Total	**299.735**	**294.089**	**299.735**	**294.089**

The management estimated that the carrying value of cash and cash equivalents, trade and other receivables, trade and other payables approximates their fair value, primarily because of their short term maturities.

Fair value hierarchy

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making these measurements. The levels of the fair value hierarchy are as follows:

Level 1: official quoted prices (unadjusted) in markets with significant volume of transactions for similar assets or liabilities

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group and the Company held on 30/6/2018 the following assets and liabilities measured at fair value:

GROUP	Fair Value 30/6/2018	Fair value hierarchy Level 1	Level 2	Level 3
Financial assets measured at fair value				
Other financial assets classified as "equity instruments at fair value through other comprehensive income"	**16.327**	**580**	**0**	**15.747**
- Quoted securities	*580*	*580*	*0*	*0*
- Unquoted securities	*15.747*	*0*	*0*	*15.747*
Other financial assets classified as "debt instruments at amortized cost"	**830**	**0**	**0**	**830**
- Quoted securities	*830*	*0*	*0*	*830*
- Unquoted securities	*0*	*0*	*0*	*0*
Derivative financial instruments	**48**	**0**	**48**	**0**
Financial liabilities measured at fair value				
Derivative financial instruments	**0**	**0**	**0**	**0**

COMPANY	Fair Value 30/6/2018	Fair value hierarchy Level 1	Level 2	Level 3
Financial assets measured at fair value				
Other financial assets classified as "equity instruments at fair value through other comprehensive income"	**1.234**	**51**	**0**	**1.183**
- Quoted securities	*51*	*51*	*0*	*0*
- Unquoted securities	*1.183*	*0*	*0*	*1.183*
Derivative financial instruments	**48**	**0**	**48**	**0**
Financial liabilities measured at fair value				
Derivative financial instruments	**0**	**0**	**0**	**0**

During 2018 there were no transfers between Level 1 and Level 2 of the fair value hierarchy, no transfers to and from Level 3.

The Group and the Company held on 31/12/2017 the following assets and liabilities measured at fair value:

GROUP	Fair Value 31/12/2017	Fair value hierarchy Level 1	Level 2	Level 3
Financial assets measured at fair value				
Other financial assets classified as "equity instruments at fair value through other comprehensive income"	**21.524**	**686**	**0**	**20.838**
- Quoted securities	*686*	*686*	*0*	*0*
- Unquoted securities	*20.838*	*0*	*0*	*20.838*
Other financial assets classified as "debt instruments at amortized cost"	**914**	**0**	**0**	**914**
- Quoted securities	*914*	*0*	*0*	*914*
- Unquoted securities	*0*	*0*	*0*	*0*
Derivative financial instruments	**0**	**0**	**0**	**0**
Financial liabilities measured at fair value				
Derivative financial instruments	**18**	**0**	**18**	**0**

COMPANY	Fair Value 31/12/2017	Fair value hierarchy Level 1	Level 2	Level 3
Financial assets measured at fair value				
Other financial assets classified as "equity instruments at fair value through other comprehensive income"	**1.243**	**60**	**0**	**1.183**
- Quoted securities	*60*	*60*	*0*	*0*
- Unquoted securities	*1.183*	*0*	*0*	*1.183*
Derivative financial instruments	**0**	**0**	**0**	**0**
Financial liabilities measured at fair value				
Derivative financial instruments	**18**	**0**	**18**	**0**

During 2017 there were no transfers between Level 1 and 2 in the hierarchy of fair value or transfer in and out of Level 3.

Reconciliation for recurring fair value measurements classified in the 3rd level of the fair value hierarchy:

Unquoted securities	GROUP	COMPANY
Balance 1/1/2017	**19.961**	**1.459**
Period purchases	1.300	0
Disposals	-14	0
Fair value revaluation	-382	-276
Foreign exchange differences	-13	0
Disposal of subsidiary	-14	0
Balance 31/12/2017	**20.838**	**1.183**
Fair value revaluation	2.439	0
Exchange of shares with software	-4.400	0
Return of capital	-3.130	0
Balance 30/6/2018	**15.747**	**1.183**

Quoted securities	GROUP	COMPANY
Balance 1/1/2017	**0**	**0**
Period purchases	960	0
Fair value revaluation	49	0
Foreign exchange differences	-95	0
Balance 31/12/2017	**914**	**0**
Fair value revaluation	55	0
Foreign exchange differences	-139	0
Balance 30/6/2018	**830**	**0**

Valuation methods and assumptions

The fair value of the financial assets and liabilities is the amount at which the asset could be sold or the liability transferred in a current transaction between market participants, other than in a forced or liquidation sale.

The following methods and assumptions are used to estimate the fair values:

- Fair value of the quoted shares (classified as "equity instruments at fair value through other comprehensive income") derives from quoted market closing prices in active markets at the reporting date.
- Fair value of the unquoted shares (classified as "equity instruments at fair value through other comprehensive income") is estimated by reference to the current market value of another item substantially similar or using a DCF model. The valuation through the DCF model requires management to make certain assumptions about the model inputs, including forecast cash flows, the discount rate, credit risk and volatility. The probabilities of the various estimates within the

range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

- Fair value of the quoted bonds is based on price quotations at the reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.
- The Group uses derivative financial instruments such as forward currency contracts, interest rate swaps, currency swaps and other derivatives in order to hedge risks related to interest rates and foreign currency fluctuations. Such derivative financial instruments are measured at fair value at each reporting date. The fair value of these derivatives is measured mainly by reference of the market value and is verified by the financial institutions.

Description of significant unobservable inputs to valuation:

The fair value of unquoted shares (classified as "equity instruments at fair value through other comprehensive income ") except that it is sensitive to a reasonably possible change in forecasted cash flows and the discount rate, is also sensitive to a reasonably possible change in growth rates. The valuation requires management to use unobservable inputs in the model, of which the most significant are disclosed in the tables below. The management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

Unquoted shares (classified as "equity instruments at fair value through other comprehensive income ")

Valuation method	Significant unobservable inputs	Range (Weighted Average) 31/12/2017	31/12/2016
DCF	Sales growth rate	0.0% - 6.0% (1.1%)	0.0% - 95.8% (5.3%)
	Growth rate beyond budgets period	0.0% - 1.0% (0.9%)	0.0% - 13.1% (4.1%)
	Discount rates (WACC)	5.8% - 15.4% (14.9%)	6.4% - 18.9% (18.2%)

Sensitivity analysis of recoverable amounts:

On 31/12/2017, the Group analyzed the sensitivity of recoverable amounts in a reasonable and possible change in any of the above significant unobservable inputs (i.e. the change of one percentage point in the growth rate beyond the budgets period and discount rates). This analysis did not indicate a situation in which the carrying value of the Group's significant investments in unquoted shares exceeds their recoverable amount.

2.20 SUPPLEMENTARY INFORMATION

A. BUSINESS COMBINATION AND METHOD OF CONSOLIDATION

The companies included in the consolidation, with the relevant addresses and the relevant participation percentages are the following:

I. Full consolidation		Domicile	Nature of business	% Direct Part'n	% Indirect Part'n	% Total Part'n
	INTRALOT S.A.	Maroussi, Greece	Holding company / Technology and support services	Parent	Parent	-
3.	BETTING COMPANY S.A.	Maroussi, Greece	Technology and support services	95%	5%	100%
23.	BETTING CYPRUS LTD	Nicosia, Cyprus	Technology and support services		100%	100%
	INTRALOT IBERIA HOLDINGS SA	Madrid, Spain	Holding company	100%		100%
27.	INTRALOT JAMAICA LTD	Kingston, Jamaica	Technology and support services		100%	100%
27.	INTRALOT TURKEY A.S.	Istanbul, Turkey	Technology and support services	50%	49,99%	99,99%
27.	INTRALOT DE MEXICO LTD	Mexico City, Mexico	Technology and support services		99,80%	99,80%
27.	INTRALOT CHILE SPA	Santiago, Chile	Technology and support services		100%	100%
27.	INTELTEK INTERNET AS	Istanbul, Turkey	Management contracts	20%	25%	45%
28.	AZERINTELTEK AS	Baku, Azerbaijan	Licensed operations		22,95%	22,95%
	POLDIN LTD	Warsaw, Poland	Technology and support services	100%		100%
	ATROPOS S.A.	Maroussi, Greece	Technology and support services	100%		100%
	INTRALOT SERVICES S.A.	Paiania, Greece	Technology and support services	100%		100%
	INTRALOT ADRIATIC DOO	Zagreb, Croatia	Technology and support services	100%		100%
	BILYONER INTERAKTIF HIZMELTER AS GROUP	Istanbul, Turkey	Management contracts	50,01%		50,01%
	INTRALOT MAROC S.A.	Casablanca, Morocco	Management contracts	99,83%		99,83%
2.	GAMING SOLUTIONS INTERNATIONAL LTDA	Bogota, Colombia	Management contracts	99%	1%	100%
2.	INTRALOT INTERACTIVE S.A.	Maroussi, Greece	Technology and support services	65,24%	34,76%	100%
	INTRALOT GLOBAL SECURITIES B.V.	Amsterdam, Netherlands	Holding company	100%		100%
1.	INTRALOT CAPITAL LUXEMBOURG S.A.	Luxembourg, Luxembourg	Financial services		100%	100%
18.	INTRALOT FINANCE LUXEMBOURG S.A.[1]	Luxembourg, Luxembourg	Financial services		100%	100%
1,2,3,4.	INTRALOT GLOBAL HOLDINGS B.V.	Amsterdam, Netherland	Holding company		100%	100%
5.	INTRALOT INC	Atlanta, USA	Technology and support services		100%	100%
12.	DC09 LLC	Wilmington, USA	Technology and support services		49%	49%
5.	INTRALOT AUSTRALIA PTY LTD	Melbourne, Australia	Technology and support services		100%	100%

I. Full consolidation		Domicile	Nature of business	% Direct Part'n	% Indirect Part'n	% Total Part'n
26.	INTRALOT GAMING SERVICES PTY	Melbourne, Australia	Technology and support services		100%	100%
5.	ILOT CAPITAL UK LTD	Hertfordshire, United Kingdom	Financial services	0,02%	99,98%	100%
5.	ILOT INVESTMENT UK LTD	Hertfordshire, United Kingdom	Financial services	0,02%	99,98%	100%
5.	INTRALOT NEDERLAND B.V.	Amsterdam, Netherlands	Technology and support services		100%	100%
5.	LOTROM S.A.	Bucharest, Romania	Management contracts		60%	60%
5.	INTRALOT BEIJING Co LTD	Beijing, China	Technology and support services		100%	100%
5.	TECNO ACCION S.A.	Buenos Aires, Argentina	Technology and support services		50,01%	50,01%
5.	TECNO ACCION SALTA S.A.	Buenos Aires, Argentina	Licensed operations		50,01%	50,01%
5.	MALTCO LOTTERIES LTD	Valetta, Malta	Licensed operations		73%	73%
5.	INTRALOT NEW ZEALAND LTD	Wellington, New Zealand	Technology and support services		100%	100%
5.	INTRALOT DO BRAZIL LTDA	Sao Paulo, Brazil	Licensed operations		80%	80%
14.	OLTP LTDA	Rio de Janeiro, Brazil	Licensed operations		80%	80%
5.	INTRALOT GERMANY GMBH	Munich, Germany	Technology and support services		100%	100%
5.	INTRALOT SOUTH KOREA S.A.	Seoul, S. Korea	Technology and support services		100%	100%
5.	INTRALOT FINANCE UK LTD	London, United Kingdom	Financial services		100%	100%
5.	INTRALOT ASIA PACIFIC LTD	Hong Kong, China	Technology and support services		100%	100%
5.	WHITE EAGLE INVESTMENTS LTD	Hertfordshire, United Kingdom	Holding company		100%	100%
5.	BETA RIAL Sp.Zoo	Warsaw, Poland	Holding company		100%	100%
5.	POLLOT Sp.Zoo	Warsaw, Poland	Holding company		100%	100%
15,16,17	TOTOLOTEK S.A.	Warsaw, Poland	Licensed operations		96,13%	96,13%
5.	INTRALOT SLOVAKIA SPOL. S.R.O.	Bratislava, Slovakia	Technology and support services		100%	100%
5.	NIKANTRO HOLDINGS Co LTD	Nicosia, Cyprus	Holding company		100%	100%
19.	LOTERIA MOLDOVEI S.A.	Chisinau, Moldova	Licensed operations	47,90%	32,85%	80,75%
5.	INTRALOT BETTING OPERATIONS (CYPRUS) LTD	Nicosia, Cyprus	Holding company		54,95%	54,95%
5,6.	ROYAL HIGHGATE LTD	Nicosia, Cyprus	Licensed operations		35,08%	35,08%
5.	INTRALOT LEASING NEDERLAND B.V.	Amsterdam, Netherland	Financial services		100%	100%
5.	INTRALOT IRELAND LTD	Dublin, Ireland	Technology and support services		100%	100%
5.	BILOT INVESTMENT LTD	Sofia, Bulgaria	Holding company		100%	100%

	I. Full consolidation	Domicile	Nature of business	% Direct Part'n	% Indirect Part'n	% Total Part'n
11.	EUROBET LTD	Sofia, Bulgaria	Licensed operations		49%	49%
13.	EUROBET TRADING LTD	Sofia, Bulgaria	Trading company		49%	49%
13.	ICS S.A.	Sofia, Bulgaria	Licensed operations		49%	49%
5.	TECNO ACCION URUGUAY S.A. (Pilmery Corporation S.A.)	Montevideo, Uruguay	Technology and support services		50,10%	50,10%
5.	INTRALOT GLOBAL OPERATIONS B.V.	Amsterdam, Netherland	Technology and support services		100%	100%
5.	GARDAN LTD	Majuro, Marshall Islands	Technology and support services		100%	100%
5,2.	GAMEWAY LTD	Valletta, Malta	Technology and support services		100%	100%
5.	INTRALOT ITALIAN INVESTMENTS B.V.	Amsterdam, Netherlands	Holding company		100%	100%
5.	BIT8 LTD	Valletta, Malta	Technology and support services		100%	100%
5.	INTRALOT CYPRUS GLOBAL ASSETS LTD	Nicosia, Cyprus	Holding company		100%	100%
8.	INTRALOT OOO	Moscow, Russia	Management contracts		100%	100%
8.	INTRALOT ST. LUCIA LTD	Castries, Santa Lucia	Holding company		100%	100%
9.	INTRALOT GUATEMALA S.A.	Guatemala City, Guatemala	Holding company		100%	100%
10.	LOTERIAS Y APUESTAS DE GUATEMALA S.A.	Guatemala City, Guatemala	Technology and support services		51%	51%
9.	INTRALOT DOMINICANA S.A.	St. Dominicus, Dominican Republic	Technology and support services		100%	100%
9.	INTRALOT LATIN AMERICA INC	Miami, USA	Technology and support services		100%	100%
	INTRALOT HOLDINGS INTERNATIONAL LTD	Nicosia, Cyprus	Holding company	100%		100%
2.	INTRALOT INTERNATIONAL LTD	Nicosia, Cyprus	Technology and support services		100%	100%
3.	INTRALOT OPERATIONS LTD	Nicosia, Cyprus	Technology and support services		100%	100%
2,4.	NETMAN SRL	Bucharest, Romania	Management contracts		100%	100%
2.	BILOT EOOD	Sofia, Bulgaria	Holding company		100%	100%
20.	EUROFOOTBALL LTD	Sofia, Bulgaria	Licensed operations		49%	49%
21.	EUROFOOTBALL PRINT LTD	Sofia, Bulgaria	Licensed operations		49%	49%
2.	INTRALOT TECHNOLOGIES LTD	Nicosia, Cyprus	Technology and support services		100%	100%
22.	INTRALOT LOTTERIES LTD	Nicosia, Cyprus	Holding company	51%	49%	100%
2.	INTRALOT BUSINESS DEVELOPMENT LTD	Nicosia, Cyprus	Technology and support services		100%	100%
2,4.	GAMING SOLUTIONS INTERNATIONAL SAC	Lima, Peru	Licensed operations		100%	100%
2.	NAFIROL S.A.	Montevideo, Uruguay	Technology and support services		100%	100%
2.	LEBANESE GAMES S.A.L	Beirut, Lebanon	Technology and support services		99,99%	99,99%

I. Full consolidation		Domicile	Nature of business	% Direct Part'n	% Indirect Part'n	% Total Part'n
2.	INTRALOT HONG KONG HOLDINGS LTD	Hong Kong, China	Holding company		100%	100%
3.	ENTERGAMING LTD	Alderney, Guernsey	Licensed operations		100%	100%
2.	INTRALOT BETTING OPERATIONS RUSSIA LTD	Nicosia, Cyprus	Holding company		100%	100%
II. Equity method		**Domicile**	**Nature of business**	**% Direct Part'n**	**% Indirect Part'n**	**% Total Part'n**
	LOTRICH INFORMATION Co LTD	Taipei, Taiwan	Technology and support services	40%		40%
	INTRALOT SOUTH AFRICA LTD	Johannesburg, S. Africa	Technology and support services	45%		45%
2,3.	GOREWARD LTD	Taipei, Taiwan	Holding company		38,84%	38,84%
29.	GOREWARD INVESTMENTS LTD	Taipei, Taiwan	Holding company		38,84%	38,84%
29.	PRECIOUS SUCCESS LTD GROUP	Hong Kong, China	Licensed operations		19,03%	19,03%
29.	GAIN ADVANCE GROUP LTD	Hong Kong, China	Holding company		38,84%	38,84%
29.	OASIS RICH INTERNATIONAL LTD	Taipei, Taiwan	Technology and support services		38,84%	38,84%
30.	WUSHENG COMPUTER TECHNOLOGY (SHANGHAI) CO LTD	Shanghai, China	Technology and support services		38,84%	38,84%
2.	UNICLIC LTD	Nicosia, Cyprus	Holding company		50%	50%
25.	DOWA LTD	Nicosia, Cyprus	Holding company		30%	30%
7.	GAMENET GROUP S.p.A. [2]	Rome, Italy	Holding company		20%	20%
24.	GAMENET S.p.A.	Rome, Italy	Licensed operations		20%	20%
31.	INTRALOT ITALIA S.p.A	Rome, Italy	Licensed operations		20%	20%
31.	GAMENET ENTERTAINMENT S.R.L.	Rome, Italy	Licensed operations		20%	20%
32.	EASY PLAY S.R.L.	Rome, Italy	Licensed operations		10,20%	10,20%
32.	LA CHANCE S.R.L.	Rome, Italy	Licensed operations		12%	12%
33.	SLOT PLANET S.R.L.	Milan, Italy	Licensed operations		12%	12%
31.	GAMENET SCOMMESSE S.p.A.[3]	Rome, Italy	Licensed operations		20%	20%
31.	TOPPLAY S.R.L.	Rome, Italy	Licensed operations		20%	20%
31.	GNETWORK S.R.L.	Rome, Italy	Licensed operations		20%	20%
31.	BILLIONS ITALIA S.R.L.	Rome, Italy	Licensed operations		10,20%	10,20%
31.	JOLLY VIDEOGIOCHI S.R.L.	Rome, Italy	Licensed operations		14%	14%
34.	ROSILSPORT SRL	Milan, Italy	Technology and support services		10,50%	10,50%
31.	NEW MATIC S.R.L.	Rome, Italy	Licensed operations		10,20%	10,20%

II. Equity method		Domicile	Nature of business	% Direct Part'n	% Indirect Part'n	% Total Part'n
31.	AGESOFT S.R.L.	Rome, Italy	Technology and support services		12%	12%
5.	KARENIA ENTERPRISES COMPANY LTD	Nicosia, Cyprus	Holding company		50%	50%
	INTRALOT DE PERU SAC	Lima, Peru	Licensed operations	20%		20%

Subsidiary of the company:			
1: Intralot Global Securities BV	10: Intralot Guatemala S.A.	19: Nikantro Holdings Co LTD	28: Inteltek Internet AS
2: Intralot Holdings International LTD	11: Bilot Investment Ltd	20: Bilot EOOD	29: Goreward LTD
3: Intralot International LTD	12: Intralot Inc	21: Eurofootball LTD	30: Oasis Rich International LTD
4: Intralot Operations LTD	13: Eurobet Ltd	22: Intralot Technologies LTD	31: Gamenet S.p.A.
5: Intralot Global Holdings BV	14: Intralot Do Brazil LTDA	23: Betting Company S.A.	32: Gamenet Entertainment S.R.L.
6: Intralot Betting Operations(Cyprus) LTD	15: Pollot Sp.Zoo	24: Gamenet Group S.p.A.	33: La Chance S.R.L.
7: Intralot Italian Investments B.V.	16: White Eagle Investments LTD	25: Uniclic LTD	34: Jolly Videogiochi S.R.L.
8: Intralot Cyprus Global Assets LTD	17: Beta Rial Sp.Zoo.	26: Intralot Australia PTY LTD	
9: Intralot St.Lucia LTD	18: Intralot Capital Luxemburg S.A.	27: Intralot Iberia Holdings S.A.	

[1] On March 2018, the subsidiary Intralot Capital Luxembourg S.A. absorbed its wholly-owned subsidiary, Intralot Finance Luxembourg S.A.
[2] The Group consolidated on 30/6/2018 the Gamenet Group S.p.A. using the equity method and the financial statements for the period 1/10/2017-31/3/2018 pursuant to IAS 28 paragraph 34, as the preparation and approval deadlines for the financial statements of Gamenet Group S.p.A. are later than those of the Intralot Group.
[3] On January 1, 2018 the associate company Gamenet S.p.A. (20%) absorbed its 100% subsidiary Gamenet Scommesse S.p.A.

The entities Atropos S.A., Nafirol S.A., Gaming Solutions International Ltda, Loteria Moldovei S.A., Lebanese Games S.A.L., Intralot Hong Kong Holdings Ltd and Gain Advance Group LTD are under liquidation process.

The Group has also a number of shares of non-significant value in subsidiaries and associates to which, in respect to INTRALOT SA, there is no parent- subsidiary relationship in the form of a legal entity.

On 30/6/2018, the Group or its subsidiaries did not have any significant contractual or statutory restrictions on their ability to access or use the assets and settle the liabilities of the Group.

The following United Kingdom subsidiaries are exempt from the requirements of the Companies Act 2006 relating to the statutory audit of individual company accounts by virtue of Section 479A of that Act:

Intralot Finance UK Ltd (company number 6451119)

White Eagle Investments Limited (company number 3450868)

Ilot Capital UK Limited (company number 9614324)

Ilot Investments UK Ltd (company number 9614271)

However, Intralot Finance UK Ltd has been audited in 2017 for IFRS Group reporting purposes.

III. Acquisitions

Gamenet Group S.p.A. - Italy

During the last quarter of 2017 the associate company Gamenet Entertainment S.R.L. (20%) acquired 51% of the Italian Easy Play S.R.L. company which is active in the management of AWP gaming halls.

On July 24, 2018, the associate entity Gamenet Group S.p.A. (20%) announced that its, 100% subsidiary, Gamenet S.p.A. signed a binding contract for the acquisition of 100% of the share capital of GoldBet S.r.l. ("GoldBet"), an authorized gaming and betting company in Italy. GoldBet ended 2017 with EBITDA of €40 million, EBIT €34 million, Net Income of €23 million and estimates an EBITDA for the period of 12 months ended June 30, 2018 of approximately €50 million. The value of the Acquisition is €265 million (enterprise value), to be adjusted with the value of the net financial position, as defined in the contract, as of June 30, 2018 (the "Price"). Of this amount, €240 million, adjusted with the value of the net financial position referred to above, will be paid in cash on the date of completion of the Acquisition ("Closing"), expected by the end of the third and beginning of the fourth quarter of 2018, while €25 million will be paid subsequently, as deferred price components over a medium-term period, subject to the occurrence of certain conditions provided for in the acquisition contract. From the integration of GoldBet, significant cost synergies are envisaged, which are expected to reach, on an annual base, approximately €12-15 million in the period 18-24 months after the closing date, as well as significant synergies in terms of revenues, particularly virtual betting. The Closing is subject to the occurrence of the usual conditions precedent for this type of transactions, including the approval of the Competition Authority and the authorization of the Customs and Monopolies Agency.

Other acquisitions

On January 2018 the Group completed – through its subsidiary INTRALOT Global Holdings BV –the acquisition of 50% of the Cypriot company "KARENIA ENTERPRISES COMPANY LIMITED", for the price of €6,75 million. This company participates with 30% stake in "ATHENS RESORT CASINO HOLDINGS S.A.", which holds a 51% stake in "REGENCY CASINO MONT PARNES".

IV. New Companies of the Group

The Group did not proceed during the first half of 2018 to the establishment of a subsidiary.

V. Changes in ownership percentage during 2018

During the first half of 2018, the Group did not make any significant change in participation rates in subsidiaries.
On August 2018 the Group increased its participation rate in Totolotek S.A. from 96,13% to 99,27% through its subsidiary Pollot Sp.Zoo.

VI. Subsidiaries' Share Capital Increase

During the first half of 2018 the Group completed a share capital increase through payment in cash in Netman SRL amounting €154 thousand.

VII. Strike off - Disposal of Group Companies

The Group completed the liquidation and strike off of its associate, Veneta Servizi S.R.L. in December 2017, and its subsidiaries Intralot Latin America Inc (May 2018) and Intralot Dominicana S.A. (June 2018).
The management of subsidiary Inteltek Internet AS, parent of Azerinteltek AS, decided in mid-February to investigate the possibility of selling its 51% stake in Azerinteltek AS.

VIII. Discontinued Operations

A) Russia

On December 2016, the Group definitively decided to discontinue its activities regarding the betting services provided through its subsidiary Favorit Bookmakers Office OOO in Russia. The above subsidiary is presented in the geographic operating segment "Rest of Europe" (note 2.2). On 31/12/2016 the above Group's activities in Russia were classified as discontinued operations pursuant to IFRS 5 par.13. In June 2017, the Group signed a disposal agreement for the 100% of Favorit Bookmakers Office OOO.
Below are presented the results of discontinued operations of the Group in Russia (Favorit Bookmakers Office OOO) for the first half of 2017:

	1/1-30/6/2017
Sale proceeds	0
Expenses	-215
Other operating income	0
Other operating expenses	0
EBIT	**-215**
EBITDA	**-200**
Gain/(loss) from assets disposal, impairment loss and write-off of assets	0
Interest and similar expenses	-12
Interest and similar income	0
Foreign exchange differences	-19
Profit/(loss) before tax	**-246**
Income tax	0
	-246
Gain/(loss) from disposal of discontinued operations	-11.825
Relevant tax	0
Profit/(loss) after tax from discontinued operations	**-12.071**

Below are presented the results of discontinued operations of the Group in Russia (Favorit Bookmakers Office OOO) for the second quarter of 2017:

	1/4-30/6/2017
Sale proceeds	0
Expenses	-89
Other operating income	0
Other operating expenses	0
EBIT	**-89**
EBITDA	**-81**
Gain/(loss) from assets disposal, impairment loss and write-off of assets	0
Interest and similar expenses	-6
Interest and similar income	0
Foreign exchange differences	13
Profit/(loss) before tax	**-82**
Income tax	0
	-82
Gain/(loss) from disposal of discontinued operations	-11.825
Relevant tax	0
Profit/(loss) after tax from discontinued operations	**-11.907**

Below are presented the net cash flows of the Group's discontinued operations in Russia (Favorit Bookmakers Office OOO):

	1/1-30/6/2017
Operating activities	-278
Investing activities	-339
Financing activities	-1
Net increase / (decrease) in cash and cash equivalents for the period	**-618**

B)Jamaica

The Group signed a Sales and Purchase Agreement (SPA) with Zodiac International Investments Ltd in the beginning of October 2017 for the sale of its 50,05% stake in Intralot Caribbean Ventures Ltd, which owns 49,9% of the subsidiary Supreme Ventures Limited - a company listed on the Jamaica Stock Exchange. The consideration price was agreed at USD 40 million, which corresponds to approximately 12 times the annual (reference period of the last twelve months to 30/6/2017) profit after tax attributable to the shareholders of the Group. The aforementioned subsidiaries are presented in the geographic operating segment "America" (note 2.2). As of 2/10/2017, the Group's above-mentioned activities in Jamaica and Santa Lucia were classified as discontinued operations.

Below are presented the results of the discontinued operations of the Group in Jamaica and Santa Lucia (Supreme Ventures Ltd and Intralot Caribbean Ventures Ltd) for the period 1/1-30/06/2017 (in 2017 they were consolidated with the full consolidation method until 2/10/2017):

	1/1-30/6/2017
Sale proceeds	196.086
Expenses	-186.864
Other operating income	0
Other operating expenses	-90
EBIT	**9.132**
EBITDA	**9.999**

Income/expenses of participations and investments	0
Gain/(loss) from assets disposal, impairment loss and write-off of assets	-97
Interest and similar expenses	-315
Interest and similar income	301
Exchange Differences	37
Profit/(loss) before tax	**9.058**
Income tax	-2.432
	6.626
Gain/(loss) from disposal of discontinued operations	0
Relevant taxes	0
Gain/(loss) after taxes from discontinued operations	**6.626**
Attributable to:	
Equity holders of the parent Company	1.768
Non-controlling interest	4.858

Below are the results of the discontinued operations of the Group in Jamaica and Santa Lucia (Supreme Ventures Ltd and Intralot Caribbean Ventures Ltd) for the second quarter of 2017:

	1/4-30/6/2017
Sale proceeds	98.342
Expenses	-93.396
Other operating income	0
Other operating expenses	-57
EBIT	**4.889**
EBITDA	**5.355**
Income/expenses of participations and investments	0
Gain/(loss) from assets disposal, impairment loss and write-off of assets	-6
Interest and similar expenses	-171
Interest and similar income	168
Exchange Differences	32
Profit/(loss) before tax	**4.912**
Income tax	-1.405
	3.507
Gain/(loss) from disposal of discontinued operations	0
Relevant taxes	0
Gain/(loss) after taxes from discontinued operations	**3.507**
Attributable to:	
Equity holders of the parent Company	932
Non-controlling interest	2.575

Below are presented the net cash flows of the Group's discontinued operations in Jamaica and Santa Lucia (Supreme Ventures Ltd and Intralot Caribbean Ventures Ltd):

	1/1-30/6/2017
Operating activities	9.323
Investing activities	-2.324
Financing activities	-316
Net increase / (decrease) in cash and cash equivalents for the period	**6.683**

C) Slovakia

The Group signed on 18 December 2017 a Sales and Purchase Agreement (SPA) with Olbena S.R.O. to sell its 51% stake in subsidiary Slovenske Loterie AS. The consideration price was agreed at €1,75 million, which corresponds to approximately 12 times the annual (reference period of the last twelve months to 30/9/2017) EBITDA. The aforementioned subsidiary is presented in the geographic operating segment "European Union" (note 2.2). Since 18/12/2017 the aforementioned activities of the Group in Slovakia were classified as discontinued operations.

Below are presented the results of the Group's discontinued operations in Slovakia (Slovenske Loterie AS) for the period 1/1-30/06/2017 (in 2017 they were consolidated with the full consolidation method until18/12/2017):

	1/1-30/6/2017
Sale proceeds	2.378
Expenses	-2.342
Other operating income	19
Other operating expenses	-4
EBIT	**51**
EBITDA	**131**
Gain/(loss) from assets disposal, impairment loss and write-off of assets	0
Interest and similar expenses	-4
Interest and similar income	0
Exchange Differences	0
Profit/(loss) before tax	**47**
Income tax	0
	47
Gain/(loss) from disposal of discontinued operations	0
Relevant taxes	0
Gain/(loss) after taxes from discontinued operations	**47**
Attributable to:	
Equity holders of the parent Company	53
Non-controlling interest	-6

Below are the results of the discontinued operations of the Group in Slovakia (Slovenske Loterie AS) for the second quarter of 2017:

	1/4-30/6/2017
Sale proceeds	1.185
Expenses	-1.169
Other operating income	18
Other operating expenses	-3
EBIT	**31**
EBITDA	**71**
Income / (expense) from participations and investments	0
Gain/(loss) from assets disposal, impairment loss and write-off of assets	0
Interest and similar expenses	-2
Interest and similar income	0
Exchange Differences	0
Profit/(loss) before tax	**29**
Income tax	0
	29
Gain/(loss) from disposal of discontinued operations	0
Relevant taxes	0
Gain/(loss) after taxes from discontinued operations	**29**
Attributable to:	
Equity holders of the parent Company	29
Non-controlling interest	0

Below are presented the net cash flows of the Group’s discontinued operations in Slovakia (Slovenske Loterie AS):

	1/1-30/6/2017
Operating activities	72
Investing activities	0
Financing activities	-17
Net increase / (decrease) in cash and cash equivalents for the period	**55**

Below are presented the Profit / (loss) after tax per share of the discontinued operations of the Group subsidiaries in Favorit Bookmakers Office OOO, Supreme Ventures Ltd, Intralot Caribbean Ventures Ltd and Slovenske Loterie AS:

Earnings / (loss) after tax per share (€) from discontinued operations	1/1-30/6/2018	1/1-30/6/2017
- basic	-	-0,0651
- diluted	-	-0,0651
Weighted Average number of shares	-	157.373.760

IX. Companies merge

On March 2018, the subsidiary Intralot Capital Luxembourg S.A. absorbed its wholly-owned subsidiary, Intralot Finance Luxembourg S.A.

On 1/1/2018 the associate company Gamenet S.p.A. (20%) absorbed its 100% subsidiary Gamenet Scommesse S.p.A.

B. REAL LIENS

A Group subsidiary in Malta has banking facility amounting €4,3 million, for issuing bank letters of guarantee. This facility is secured by an initial general mortgage on all the subsidiary's present and future assets (on 30/06/2018 the letters of guarantee used amounted to €4,0 million). Also, a Group subsidiary in Bulgaria has secured a loan of €1,3 million by pledging its total trading activity and fixed assets of its subsidiary.

There are no other restrictions than the above, in the ownership or transfer or other encumbrances on the Group's property.

On 30 June 2018, the Group had no contractual commitments for the purchase of tangible assets.

In the Group Statement of Financial Position (row "Trade and other short term receivables") of 30/6/2018 are included collateralized bank deposits as security coverage for banking facilities amounting €30 thousand (31/12/2017: €30 thousand) and other collateralized bank deposits amounting to €350 thousand (31/12/2017: €360 thousand). Respectively, for the Company on 30/6/2018 are included collateralized bank deposits as security coverage for banking facilities amounting €30 thousand (31/12/2017: €30 thousand) and other collateralized bank deposits amounting to €129 thousand (31/12/2017: €129 thousand).

C. PROVISIONS

GROUP	Litigation cases [1]	Unaudited fiscal years and tax audit expenses [2]	Other provisions [3]	Total provisions
Period opening balance	**4.558**	**3.116**	**6.178**	**13.852**
Period additions	0	0	1.095	**1.095**
Used provisions	0	0	-1.885	**-1.885**
Foreign exchange differences	194	0	-313	**-119**
Period closing balance	**4.752**	**3.116**	**5.075**	**12.943**
Long term provisions	**4.700**	**3.116**	**379**	**8.195**

Short term provisions	**52**	**0**	**4.696**	**4.748**
Total	**4.752**	**3.116**	**5.075**	**12.943**

[1] Relate to litigation cases as analyzed in note 2.21.A.

[2] Relate to provisions for the coverage of differences from future audits for income taxes and other taxes. It is expected to be used in the next 1-3 years.

[3] Relate to provisions for risks none of which are individually material to the Group except from provisions for additional fees (bonus) and other employee benefits of the Group amounting to €2.081 thousand as well as provisions amounting to €2.452 for earned winnings which relate to sports betting prices and guaranteed future numerical games jackpots The Other provisions are expected to be used in the next 1-6 years.

COMPANY	Litigation cases [1]	Unaudited fiscal years and tax audit expenses [2]	Other provisions	Total provisions
Period opening balance	**4.497**	**3.115**	**91**	**7.703**
Foreign exchange differences	204	0	0	**204**
Period closing balance	**4.701**	**3.115**	**91**	**7.907**
Long term provisions	**4.701**	**3.115**	**0**	**7.816**
Short term provisions	**0**	**0**	**91**	**91**
Total	**4.701**	**3.115**	**91**	**7.907**

[1] Relate to litigation cases as analyzed in note2.21.A.

[2] Relate to provisions for the coverage of differences from future audits for income taxes and other taxes. It is expected to be used in the next 1-3 years.

D. PERSONNEL EMPLOYED

The number of employees of the Group on 30/6/2018 amounted to 5.132 persons (Company/subsidiaries 3.054 and associates 2.078) and the Company's to 682 persons. Respectively on 30/6/2017 the number of employees of the Group amounted to 5.168 persons (Company/subsidiaries 3.288 and associates 1.880) and the Company 714 persons. At the end of 2017 fiscal year the number of employees of the Group amounted to 5.149 persons (Company/subsidiaries 3.132 and associates 2.017) and the Company 735 persons.

E. RELATED PARTY DISCLOSURES

Intralot SA purchases goods and services and/or provides goods and services to various related companies, in the ordinary course of business. These related companies consisting of subsidiaries, associates or other related companies which have common ownership and / or management with Intralot SA.

Below is a condensed report of the transactions for the six months of 2018 and the balances on 30/6/2018 of other related parties:

Amounts reported in thousands of € (total operations)	1/1-30/6/2018 GROUP	COMPANY
Income		
-from subsidiaries	0	19.010
-from associates	2.762	3.158
-from other related parties	4.472	2.594
Expenses		

-to subsidiaries	0	10.256
-to associates	33	11
-to other related parties	5.288	2.074
BoD and Key Management Personnel transactions and fees	3.625	2.195

Amounts reported in thousands of €	30/6/2018	
	GROUP	**COMPANY**
Receivables		
-from subsidiaries	0	70.823
-from associates	10.980	7.308
-from other related parties	12.211	9.263
Payables		
-to subsidiaries	0	276.682
-to associates	14	13
-to other related parties	5.315	3.125
BoD and Key Management Personnel receivables	0	0
BoD and Key Management Personnel payables	125	0

Below there is a summary of the transactions for the six months of 2017 and the balances on 31/12/2017 with related parties:

Amounts reported in thousands of € (total operations)	1/1-30/6/2017	
	GROUP	**COMPANY**
Income		
-from subsidiaries	0	22.812
-from associates	1.895	1.790
-from other related parties	3.812	2.711
Expenses		
-to subsidiaries	0	9.666
-to associates	-177	-177
-to other related parties	3.659	2.590
BoD and Key Management Personnel transactions and fees	4.883	2.338

Amounts reported in thousands of €	31/12/2017	
	GROUP	**COMPANY**
Receivables		
-from subsidiaries	0	73.863
-from associates	10.202	6.469
-from other related parties	11.501	8.425
Payables		
-to subsidiaries	0	252.070
-to associates	8	8
-to other related parties	22.482	17.541
BoD and Key Management Personnel receivables	0	0
BoD and Key Management Personnel payables	452	222

Sales and services to related parties are made at normal market prices. Outstanding balances at year end are unsecured and settlement occurs in cash. No guarantees have been provided or received for the above receivables.

In the six months of 2018, the Company made a provisions concerning an estimate of reduction of the recoverable value of receivables from subsidiaries amounting to €1,3 million that were recorded in the income statement of the period while at the same time it used provisions of previous years amounting €2,5 million as the liquidation of subsidiaries was completed.

The accumulated relevant provisions on 30/6/2018 amounted to €37,6 million (31/12/2017: €38,8 million).

Also, on 01/01/2018, the Company made provisions regarding the reduction in the recoverable amount of receivables from other related parties amounting to € 0,7 million and which were recorded as an adjustment of the opening balance of the "Retained earnings" account under the first application of IFRS 9.

2.21 CONTNGENT LIABILITIES, ASSETS AND COMMITMENTS

A. LITIGATION CASES

a. On 4th January 2005 OPAP S.A. submitted a notice of proceedings to "Betting Company S.A." regarding a lawsuit that was filed against OPAP S.A. before the Multi-member Court of First Instance of Athens, with which the plaintiff claims the payment of the amount of €3.668.378,60 plus accrued interests from OPAP S.A., pleading that OPAP S.A. should pay this amount to him as profit, in addition to the amount already paid to him. Since Betting Company S.A. has a legitimate interest in OPAP S.A. winning the lawsuit, Betting Company S.A., the companies INTRALOT S.A. and INTRALOT INTERNATIONAL LTD proceeded to an additional joint intervention in favor of OPAP S.A.; this was scheduled for hearing on 3rd May 2007 but following a petition for precipitation of the plaintiff the case was heard on 1st December 2005. By its decision No 2412/2006 the Multi-member Court of First Instance of Athens ruled in favor of the lawsuit of the plaintiff and, following the restriction by the plaintiff of his petition to a lawsuit for acknowledgement of the debt, the Court acknowledged the obligation of OPAP S.A to pay to the plaintiff the amount of €3.668.378,60. OPAP S.A and the aforementioned companies filed an appeal on 28/6/2006 which had been rejected by the Athens Court of Appeals with its decision no. 6377/2007. The defendants filed an appeal before the Supreme Court which was heard on 9th November 2009 and decision no. 1252/2010 was issued accepting the appeal and referring back the case to the Athens Court of Appeals which vindicated the defendants and dismissed the lawsuit with its decision no. 5189/2012. For the above case a provision had been made which has been reversed. On 23rd July 2014 an application for cassation was served to the company which has been heard, following a postponement, on 2nd February 2015 and the decision no 1062/2015 was issued referring the case for hearing before the plenary session of the Supreme Court. The case was heard before the plenary session of the Supreme Court on the 16th February 2017 and the decision of the plenary session of the Supreme Court was issued which rejected the reasons for cassation that were brought for judgment before the plenary session, while the remaining reasons for cassation were referred for hearing to the competent Supreme Court's department. The date for the hearing was set for the 26th of February 2018 when the case was heard and the decision issued rejected the application for cassation ratifying in total the decision no. 5189/2012 of the Athens Court of Appeals.

b. Against (a) publishing company "I. Sideris – Andreas Sideris Sons O.E.", (b) the Foundation of Economic and Industrial Researches (IOBE), (c) Mr. Theodosios Palaskas, Director of Research of IOBE, (d) the Kokkalis Foundation, and (e) INTRALOT, a lawsuit of Mr. Charalambos Kolymbalis, was filed on 8th March 2007 before the Multi-member Athens Court of First Instance. With his lawsuit, the plaintiff requests to be recognized as the sole creator of the project entitled "The financial consequences of sports in Greece" and his intellectual property right on this, and that the amount of €300.000 to be paid to him as monetary compensation for moral damages. Date of the hearing was set the 20th February 2008 when it was postponed for 4th March 2009 and then again for 24th February 2010; on that date the hearing of the case was cancelled due to strike of the judicial secretaries. New hearing date was scheduled the 23rd May 2012 when the case was heard and the decision no. 5724/2012 of the Athens Multi-member Court of First Instance was issued which dismissed the lawsuit. On 17 October 2015 an appeal was served to the company against the above decision, which was scheduled to be heard before the Athens Court of Appeals on 11 February 2016; on that date the hearing was postponed for 22 September 2016 due to lawyers strike when it was cancelled, while following a request of the plaintiff a new hearing date is set for 9 March 2017 when the case has been heard and a decision of the Court of Appeals was issued which ordered the repeat of the appeal's hearing. The date for the hearing was set for the 22nd of February 2018 when the case was heard and decision no. 3253/2018 of the Athens Court of Appeals was issued which rejected the appeal; until now, no application for cassation was has been filed by the opponent.

c. On 26th July 2011 a lawsuit was served to INTRALOT SA and the company "Interstar Security LTD" from a former employee of INTRALOT SA claiming the payment of €500.000 as compensation for moral damage. The hearing had been initially set for 6th March 2014 when it was postponed for 10 November 2016. Before the hearing the plaintiff withdrew from the lawsuit. The estimate of the legal advisors of the Company is that in any case the lawsuit, if it will be heard, has no serious chance of success.

d. The Company and its subsidiary "Intralot International Limited" and Mr. Socratis P. Kokkalis, filed before the Athens Multi-member Court of First Instance their lawsuit dated 1st November 2012 against the company "Glory Technology Limited" having its registered offices in Cyprus and Mr. Athanassios K. Ktorides, resident of Cyprus, requesting to compel the defendants to pay, jointly and severally, because of slander and their unfair competitive behavior:

- to the first plaintiff (Intralot) the amount of €72.860.479,78 (including monetary compensation for moral damages amounting to €25.000.000) with the legal interest as from the service of the lawsuit
- to the second plaintiff (Intralot International Limited) the amount of €5.019.081,67 (including monetary compensation for moral damages amounting to €5.000.000) with the legal interest as from the service of the lawsuit; and
- to the third plaintiff (Mr. Socratis P. Kokkalis) the amount of €50.424.019,73 (including monetary compensation for moral damages amounting to €25.000.000) with the legal interest as from the service of the lawsuit.

The Athens Multi-member Court of First Instance issued its decision partially accepting the lawsuit; "Glory Technology Limited" is obliged to pay €50.000 to the first plaintiff, €25.000 to the second plaintiff and €25.000 to the third plaintiff. No appeal of the other party has been served to the Company yet. The Company filed an appeal against the decision requesting that the lawsuit to be accepted in total; no hearing date has been set for the appeal.
On the other hand, the company "Glory Technology Limited" and Mr. Athanassios K. Ktorides filed before the same court their lawsuit dated 19 March 2013 claiming that with the filing of the abovementioned lawsuit (from which unfair competitive behaviour results, as they allege) moral damage was caused to them. With their lawsuit, the plaintiffs were requesting from the court to compel the Company, "Intralot International Limited" and Mr. Socratis Kokkalis to pay jointly and severally monetary compensation for moral damages amounting to €25.000.000 to each of the plaintiffs. The hearing of the case had been scheduled for 16th October 2013. On 23rd September 2013, the plaintiffs withdrew from the lawsuit.
e. In Turkey the companies Teknoloji Holding A.Ş. and Teknoser Bilgisayar Teknik Hizmetler Sanayi ve Dış Ticaret A.Ş have filed a lawsuit against Intralot and Inteltek claiming that due to wrong calculation of the reserves of the years 2005 and 2006, the distributed dividends to the then shareholders of Inteltek should have been higher and for this reason they are requesting that the amount of TL 609.310,40 (€114.135) plus interest to be paid to them. A First Instance Court decision was issued which accepted the lawsuit against Intralot. The appeal filed by the Company was accepted only in relation to the amount of the interests while it was rejected with regards to the capital amount. A new appeal was filed by the Company with regards to the capital amount which is pending.

f. In Colombia, INTRALOT, on 22nd July 2004, entered into an agreement with an entity called Empresa Territorial para la salud ("Etesa"), under which it was granted with the right to operate games of chance in Colombia. In accordance with terms of the abovementioned agreement, INTRALOT has submitted an application to initiate arbitration proceedings against Etesa requesting to be recognized that there has been a disruption to the economic balance of abovementioned agreement to the detriment of INTRALOT and for reasons not attributable to INTRALOT and that Etesa to be compelled to the modification of the financial terms of the agreement in the manner specified by INTRALOT as well as to pay damages to INTRALOT (including damages for loss of profit) or alternatively to terminate now the agreement with no liability to INTRALOT. The arbitration court adjudicated in favour of Etesa the amount of 23,6 billion Colombian pesos (€6,9m). The application for annulment of the arbitration award filed by INTRALOT before the High Administrative Court was rejected. The Company filed a lawsuit before the Constitutional Court which was rejected. On 31 August 2016 an application was served to the Company requesting to render the abovementioned arbitration decision as executable in Greece which was heard before the Athens One-Member First Instance Court and the decision issued accepted it. The Company filed an appeal against this decision which has been scheduled for hearing on 4 October 2018 before the Athens Court of Appeals and an application for suspension of execution which was heard on 24 May 2018 before the Athens Court of Appeals, while a temporary order of non-execution until the issue of the decision in relation to this application for suspension of execution has been issued. The Company has created relative provision in its financial statements part of which (€2,2m) has already been used for the payment to Etesa of a letter of guarantee amounting to 7.694.081.042 Colombian pesos.

g. Against the subsidiary Intralot Holdings International Ltd., a shareholder of LOTROM SA and against LOTROM SA, another shareholders of LOTROM SA, Mr. Petre Ion filed a lawsuit before the competent court of Bucharest requesting that Intralot Holdings International Ltd to be obliged to purchase his shares in LOTROM SA for €2.500.000 and that LOTROM SA to be obliged to register in the shareholders book such transfer. Following the hearing of 28th September 2010 a decision of the court was issued accepting the lawsuit of the plaintiff. Intralot Holdings International Ltd and LOTROM SA filed an appeal which was rejected. The abovementioned companies further filed a recourse before the Supreme Court which was heard and rejected. Mr. Petre Ion initiated an enforcement procedure of the above decision in Romania. The companies will exercise legal means against the enforcement procedure according to the provisions of the Romanian laws.

h. Mr. Petre Ion filed in Romania a lawsuit against Intralot Holdings International Ltd and LOTROM requesting to issue a decision to replace the share purchase contract of its shares in LOTROM SA for €2.500.000 (for which he had filed the above lawsuit) in order to oblige Intralot Holdings International Ltd a) to pay the amount of €400.000 as tax on the above price, b) to sign on the shareholders book for the transfer of the shares, c) to pay the price of the transfer and the legal costs. The Court of First Instance rejected Mr. Petre Ion's lawsuit. Mr. Petre Ion filed an appeal which was heard on 4 November 2014 and was partially accepted. The Company filed an appeal against this decision which was rejected. Following postponements, the case was heard on 10 June 2016 and the respective first instance decision was issued on 19 July 2016; the lawsuit against LOTROM was rejected while it was accepted partially in respect to its part filed against Intralot Holdings International Ltd., obligating the latter to pay the amount of the purchase and the legal expenses. Both Intralot Holdings International Ltd. and Mr. Petre Ion filed appeals against this decision which was heard and were rejected. The decision is now final and therefore enforceable however Intralot Holdings International Ltd. filed an application for cassation which is pending. A first hearing is scheduled for October 17th, 2018.

i. On 24 April 2013 the Company was notified of the existence of a research conducted by the Competition Board of Romania in relation to the contract signed in 2003 with Compania Nationala Loteria Romana regarding the Videolotto program. The Competition Board of Romania imposed a fine to the Company amounting to 5.541.874 ROL (€1.188.453) and to the subsidiary LOTROM to 512.469 ROL (€109.899). The Company and its subsidiary LOTROM filed a lawsuit against the respective decision requesting its annulment and the suspension of its execution. The applications for the suspension of validity of the above decision of the Competition Board were rejected and the Company and its subsidiary LOTROM filed appeals; no hearing date has been scheduled yet. Also, an application for the suspension of execution was filed by Intralot, scheduled to be heard on 13th November 2014, date on which the Court decided to suspend the issue of the decision until the competent court decides on the main recourse filed for annulment of the decision of the Competition Board. Against said decision an appeal was filed which has been rejected. Finally, the applications for the annulment of the decision of the Competition Board filed by LOTROM and INTRALOT were accepted by the court and the respective fines were cancelled. Against LOTROM and the respective abovementioned decision, the Competition Board of Romania filed an appeal which has not been yet scheduled for hearing. The Competition Board filed a separate appeal against the decision which accepted Intralot's application for the annulment which has not been yet scheduled for hearing.

j. In Romania, the subsidiary Lotrom was notified on the beginning of an investigation conducted by the competent authorities against the state lottery CNLR, client of the Group, in relation to alleged occurrence of the crime of conducting games of chance without license and possible complicity to that, in relation to the operation of Video Lottery machines of CNLR; the Group was the technology provider of CNLR from 2003 to 2014. Intralot was notified, through rogatory procedure, that itself along with LOTROM and Intracom, are alleged to be accomplices of the state lottery CNLR to the abovementioned crimes. Intralot refuted with a memo duly submitted within February 2016, the above allegations. Due to the early stage of the procedure and the nature of the case as well as due to the secrecy of the investigation procedures, neither further comments on the issue nor any estimation of any possible negative financial effect on the financials of the group can be provided.

k. In Poland, as a result of bet making points controls conducted by Custom Service bodies in 6 shops, a gambling law breach was claimed to be made by the "E-Promotion" program of the subsidiary "Totolotek Totomix SA" and a relevant administrative procedure was initiated which was concluded with the issue of a second instance decision of the Ministry of Finance for revocation of the six relevant licenses; the company filed a recourse against this decision before the Administrative Courts which was rejected and an appeal filed against the respective decision was also rejected. In relation to all remaining shops a second instance decision of the Ministry of Finance was issued revoking their licenses. The company has filed recourses before Administrative Courts which were rejected . "Totolotek Totomix SA" filed recourses before the European Court of Human Rights which are pending. Since December 2012, new licenses have already been issued by virtue of which the subsidiary "Totolotek Totomix SA" operates and, therefore, the abovementioned cases will not affect its activities. Following the abovementioned decisions of the Ministry of Finance regarding the revocation of the licenses, a fine amounting to 480.000 Euro was imposed to the company. The company filed a recourse against this decision and the court issued, on 13 May 2015, its decision vindicating "Totolotek Totomix SA" and cancelled the fine, while the respective appeal filed was rejected by the Warsaw Supreme Court rendering final the decision of the court which cancelled the fine.

l. In August 2012, two British Virgin Island companies filed a Complaint in the United States Bankruptcy Court Southern District of Florida, Miami Division, against numerous defendants, including Supreme Ventures Limited ("SVL"), a publicly traded gaming company listed on the Jamaican Stock Exchange in which INTRALOT was holding until 10.10.2017 an indirect shareholding interest. Notably, as per SVL, the lawsuit is based on the same claims (related to demands arose before the acquisition of INTRALOT's participation in SVL), towards third parties, initial shareholders and/or directors of SVL, or not, which were brought in, and were recently rejected by the Jamaican courts, first by the Supreme Court and then again by the Court of Appeals. INTRALOT is named as a «Relief Defendant» which means that INTRALOT is not alleged to have been part - directly or indirectly - of any wrongdoing, since the alleged by the plaintiffs acts are made before the acquisition of SVL's shares by INTRALOT through the Jamaican Stock Exchange. Intralot agrees with SVL's opinion that the Complaint is wholly without merit and expects that it will be successful in the Florida courts, as it was in the Jamaican courts.

m. In Brazil, a former officer of a subsidiary company filed a lawsuit against such subsidiary requesting several amounts to be paid to him as fees resulting from his labour relationship amounting to approx. €240.000 and from a services agreement calculated as a percentage 4% on the turnover of the subsidiary. On August 23rd, 2013, the decision of the local court was issued dismissing the lawsuit. The plaintiff filed an appeal and a decision was issued at the end of July 2014 which refers the case for a new hearing before the Court of First Instance. The court accepted the claim of the plaintiff in relation to the amounts owed due to his labor relationship but rejected the claim for remuneration resulting from a services agreement. The company filed an appeal before the Supreme Labor Court which is pending.

n. On 30 July 2012, Intralot filed before the Athens Multi-member Court of First Instance a lawsuit against the company "Hellenic Organization of Horse Racing S.A." (ODIE) requesting the payment of the amount of €2.781.381,15 relating to system maintenance services provided but not paid. The case was heard on 6th May 2015 and a decision was issued accepting Intralot's lawsuit in full. ODIE filed an appeal against this decision which has been scheduled for hearing on 1 November 2018 before the Athens Court of Appeal. Moreover, Intralot filed a recourse to the arbitration panel on 13 August 2012 against the same company ODIE requesting the payment of the amount of €9.551.527,34 relating to operational services of integrated system provided but not paid. The arbitration was concluded on 1st March 2013 and the arbitration decision no 27/2013 was issued vindicating Intralot and compelling ODIE to pay to Intralot the total amount requested (€9.551.527,34). In order to secure its claims, Intralot:

a) by virtue of the above arbitration decision, has already recorded on the mortgage books of the Land Registry Office of Kropia a mortgage on a land property of ODIE and specifically on the property where the Horse Racetrack of Athens in Markopoulo Attica is operating, and on the buildings thereupon, for an amount of €11.440.655,35.

b) by virtue of the decision no 2209/2014 of the Athens Single Member Court of First Instance, has already recorded on the mortgage books of the Land Registry Office of Kropia, a note of mortgage on the same real estate of ODIE for an amount of €9.481.486,11.

c) advanced the procedure of compulsory execution against ODIE in order to execute its claims.

Furthermore, on 20 March 2014, Intralot filed before the Athens Multi-member Court of First Instance a lawsuit against ODIE requesting the payment of the amount of €8.043.568,69 which is owed to it pursuant to the "Agreement of Maintenance and Operation of the System of the Mutual Betting on Horse Races of ODIE" dated 6 March 2012. The hearing date was 17th February 2016 but on that date the hearing was postponed, due to lawyers' strike, for 4 October 2017, when it was heard and is issue of the decision is pending.

The confiscation on the above land property of ODIE in Markopoulo Attica imposed in the frame of the abovementioned procedure of compulsory execution against ODIE, was reversed with the consent of Intralot on 15 December 2015 in execution of the terms of the agreement dated 24 November 2015 between Intralot and ODIE which settled the payment of all above claims of Intralot. Pursuant to this agreement, ODIE assigned to Intralot 2/3 of the rent which it will receive from the lease agreement relating to that real estate to the company "Ippodromies SA". The payment of the assigned rent amounts has already been started.

o. A former officer of the Company filed a lawsuit before the Athens First Instance Court requesting the payment of the amount of €121.869,81 as non-paid wages. The hearing had been scheduled for 25 May 2016 when it was postponed for 4 June 2018 due to lawyers' abstention from hearings; on that day the case was heard and the issue of the decision is pending. The Legal Department of the Company considers that, following the hearing of the case, the above-mentioned lawsuit would not be successful.

p. In Poland a lawsuit was filed against the subsidiary "Totolotek Totomix SA" by a player of betting games; he claims that the amount of 861.895PLN (€197.086) which was not paid by the abovementioned subsidiary because of violation of the betting regulations by the plaintiff, is due to him. "Totolotek Totomix SA" has requested the case to be heard before the Warsaw courts (instead of the courts of the town Torun) and this application was accepted, however the plaintiff has filed a recourse requesting that the case to be heard before the courts of Torun which was rejected by the court and the case will be scheduled for new hearing by the Warsaw courts.

q. There is a dispute pending between on the one hand the subsidiary company Intralot Leasing Netherlands B.V. in its capacity as lessee and the Company in its capacity as guarantor and on the other hand the company Econocom Nederland B.V. with respect to a sale and leaseback of equipment agreement dated 28 March 2013 and more specifically in relation to a claim of Econocom Nederland B.V. for further payments to it. As per the agreement's terms, a stand-by letter of credit issued by the French bank Societe Generale in the amount of €5mil. had been delivered to Econocom Nederland B.V. The Company requested from the competent French court in Paris this stand-by letter of credit not to be called and the court issued a temporary decision restricting Societe Generale from paying any amount from the above stand-by letter of credit to Econocom Nederland B.V. until the hearing of the case, following postponement, on 17 January 2017. Additionally, the Company filed injunctions in the Netherlands against Econocom Nederland B.V. and the court accepted the respective application and prohibited Econocom Nederland B.V. to request the payment of the abovementioned letter of guarantee and of the relevant corporate guarantee, until the issue of the final judgement, ordering Econocom Nederland B.V. to pay a penalty of €10m in case of breach of the prohibition. Against the injunctions decision Econocom Nederland B.V. filed an appeal which was heard on 13 November 2017 and the issue of the decision is pending. A lawsuit was also filed with a request to be recognized that no further amounts are due to Econocom Nederland B.V. by virtue of the above agreement; the lawsuit which was heard on 15 November 2017 and was accepted by the court. Against this decision Econocom Nederland B.V. filed an appeal which is pending.

r. In Romania, the company "INTRAROM SA" having its registered offices in Romania, requested arbitration against Intralot before the Arbitration Court of the Romanian Chamber of Commerce and Industry claiming the amount of 3.960.649,42 RON (€849.360) for unpaid invoices and the amount of 3.210.848,10 RON (€688.565) for delay penalties until 11.7.2017 and additional delay penalties from 11.7.2017 until payment. The arbitration procedure is in progress, the next hearing is set for 13th September 2018 and Intralot reserves the position that it has strong arguments to object the claims of "INTRAROM SA".

s. In Cyprus, the National Betting Authority has suspended the Class A license of the company Royal Highgate Pcl Ltd. in which the Company has an indirect participation of approx. 35,08%, initially for a period of two months, alleging non-compliance of Royal Highgate Pcl Ltd. with specific terms of the license. Following extensions, the license was suspended for long, while now the suspension period has lapsed. Royal Highgate Pcl Ltd. considers that those requested by the National Betting Authority are beyond the provisions of the law and has filed a recourse before the competent administrative court of Nicosia which was heard on 30 March 2018 and the issue of the decision is pending.

t. In USA, in South Carolina State, class actions were filed against the local lottery South Carolina Education Lottery Commission and the subsidiary Intralot, Inc. for breach of contract with the allegation that because of malfunctioning of the system there were winning tickets which were not paid and claiming a total compensation of approx. 35m USD (€30m). The Group's management, relying on local expert legal counsels opinion, considers that the lawsuits have low probability of success. It is noted that with regards to such cases, the Group has a respective insurance coverage.

u. A former employee of the Company filed two lawsuits before the Athens First Instance Court requesting, with the first one, the payment of the amount of €133.179,47 for unpaid salaries and €150.000 as compensation for moral damages and, with the second one, the amount of €259.050 for overdue salaries calculated until 3 December 2019 and €150.000 as compensation for moral damages. The first lawsuit was heard on 28 February 2018 and the issue of the decision is pending, while the second one had been scheduled for hearing on 10 May 2018 when it was postponed for 24 January 2019.

v. In Morocco, a judgment was notified to the subsidiary company Intralot Maroc deciding the payment of the amount of 3.360.000 MAD (€303.282) to a supplier company. The company Intralot Maroc has filed an appeal which is pending.

Until 29/8/2018, apart from the legal issues for which a provision has been recognised, the Group Management estimates that the rest of the litigations will be finalized without a material effect on the Group's and the Company's financial position and results.

B. FISCAL YEARS UNAUDITED BY THE TAX AUTHORITIES

I) SUBSIDIARIES

COMPANY	YEARS	COMPANY	YEARS
INTRALOT S.A.	2013-2017	BETA RIAL Sp.Zoo	2013-2017
BETTING COMPANY S.A.	2013-2017	POLLOT Sp.Zoo	2013-2014 & 2016-2017
BETTING CYPRUS LTD	2012-2017	TOTOLOTEK S.A.	2013-2017
INTRALOT IBERIA HOLDINGS SA	2013-2017	INTRALOT SLOVAKIA SPOL. S.R.O.	2014-2017
INTRALOT JAMAICA LTD	2010-2017	NIKANTRO HOLDINGS Co LTD	2012-2017
INTRALOT TURKEY A.S.	2013-2017	LOTERIA MOLDOVEI S.A.	2014-2017
INTRALOT DE MEXICO LTD	2006-2017	INTRALOT BETTING OPERATIONS (CYPRUS) LTD	2012-2017
INTRALOT CHILE SPA	2016-2017	ROYAL HIGHGATE LTD	2013-2017
INTELTEK INTERNET AS	2013-2017	INTRALOT LEASING NEDERLAND B.V.	2013-2017
AZERINTELTEK AS	-	INTRALOT IRELAND LTD	2014-2017
POLDIN LTD	2013-2017	BILOT INVESTMENT LTD	2016-2017
ATROPOS S.A.	2010-2017	EUROBET LTD	2013-2017
INTRALOT SERVICES S.A.	2015-2017	EUROBET TRADING LTD	2013-2017
INTRALOT ADRIATIC DOO	2015-2017	ICS S.A.	2013-2017
BILYONER INTERAKTIF HIZMELTER AS GROUP	2015-2017	TECNO ACCION URUGUAY S.A. (Pilmery Corporation S.A.)	2016-2017
INTRALOT MAROC S.A.	2016-2017	INTRALOT GLOBAL OPERATIONS B.V.	2016-2017
GAMING SOLUTIONS INTERNATIONAL LTDA	2013-2017	GARDAN LTD	-
INTRALOT INTERACTIVE S.A.	2013-2017	GAMEWAY LTD	2016-2017
INTRALOT GLOBAL SECURITIES B.V.	2013-2017	INTRALOT ITALIAN INVESTMENTS B.V.	2017
INTRALOT CAPITAL LUXEMBOURG S.A.	2014-2017	BIT8 LTD	2012-2016
INTRALOT FINANCE LUXEMBOURG S.A.	2013-2017	INTRALOT CYPRUS GLOBAL ASSETS LTD	2012-2017
INTRALOT GLOBAL HOLDINGS B.V.	2013-2017	INTRALOT OOO	2015-2017
INTRALOT INC	2014-2017	INTRALOT ST. LUCIA LTD	2012-2017
DC09 LLC	2014-2017	INTRALOT GUATEMALA S.A.	2009-2017
INTRALOT AUSTRALIA PTY LTD	2013-2017	LOTERIAS Y APUESTAS DE GUATEMALA S.A.	2009-2017
INTRALOT GAMING SERVICES PTY	2013-2017	INTRALOT HOLDINGS INTERNATIONAL LTD	2012-2017
ILOT CAPITAL UK LTD	2016-2017	INTRALOT INTERNATIONAL LTD	2012-2017
ILOT INVESTMENT UK LTD	2016-2017	INTRALOT OPERATIONS LTD	2012-2017
INTRALOT NEDERLAND B.V.	2010-2017	NETMAN SRL	2013-2017
LOTROM S.A.	2013-2017	BILOT EOOD	2013-2017
INTRALOT BEIJING Co LTD	2007-2017	EUROFOOTBALL LTD	2012-2017
TECNO ACCION S.A.	2012-2017	EUROFOOTBALL PRINT LTD	2013-2017
TECNO ACCION SALTA S.A.	2015-2017	INTRALOT TECHNOLOGIES LTD	2012-2017
MALTCO LOTTERIES LTD	2004-2017	INTRALOT LOTTERIES LTD	2012-2017
INTRALOT NEW ZEALAND LTD	2013 & 2017	INTRALOT BUSINESS DEVELOPMENT LTD	2012-2017
INTRALOT DO BRAZIL LTDA	2013-2017	GAMING SOLUTIONS INTERNATIONAL SAC	2013-2017

OLTP LTDA	2013-2017	NAFIROL S.A.	-
INTRALOT GERMANY GMBH	2016-2017	LEBANESE GAMES S.A.L	-
INTRALOT SOUTH KOREA S.A.	2007-2017	INTRALOT HONG KONG HOLDINGS LTD	2014-2017
INTRALOT FINANCE UK LTD	2016-2017	ENTERGAMING LTD	-
INTRALOT ASIA PACIFIC LTD	2017	INTRALOT BETTING OPERATIONS RUSSIA LTD	2012-2017
WHITE EAGLE INVESTMENTS LTD	2016-2017	INTRALOT DE COLOMBIA (BRANCH)	2013-2017

The tax audits were completed in Nederland B.V. for the period 2009, in Tecno Accion S.A. for the period 2014-2015, in Intralot Chile SPA for the year 2016 (with the possibility of re-auditing over the next three years), in Intralot Jamaica Ltd the tax audit was partly completed for the period 2010-2012, in Royal Highgate Ltd for the period 2008-2012 where a tax liability plus interests and fines occurred, amounting to €129 thousand. In Intralot Capital Luxembourg S.A. for the years 2013 & 2016 (regarding VAT), while it was completed in Intralot Germany Gmbh for the period 2012-2015 and in AzerInteltek AS for the year 2017. Also in Gaming Solution International SAC the audit regarding the payment of dividends tax was completed. In Lotrom S.A. the audit initiated by the local tax authorities with respect to financial activities for transactions subject to VAT for the period 2004-2014 was completed in the fourth quarter of 2016. So far the conclusion report has not been yet notified to the company. Tax audit is in progress in Inteltek Internet AS for the period 2014-2015.

Under the L.2238/94 Art. 82 par.5 of POL.1159/2011, the companies Betting Company S.A. and Intralot Interactive S.A. have received a tax certificate for the period 2013-2016, the company Intralot S.A. for the period 2014-2016 and the company Intralot Services S.A. for the period 2015-2016. In Intralot SA during the tax audit for the year 2011, were imposed taxes on accounting differences plus surcharges amounting to €3,9 million. The Company lodged an administrative appeal against the relevant control sheets resulting in a reduction of taxes of €3,34 million. The Company filed new appeals to the Greek Administrative Courts which did not justify the Company, which filed an appeal before the Council of State. The Company's management and its legal advisors consider that there is a significant probability that the appeal will thrive finally for the most part. The Company has formed sufficient provisions and has paid the whole amount of taxes. In Intralot S.A. a partial reaudit was contacted for the years 2007 & 2008 as well as a regular tax audit for the year 2012 without incurring any tax liability for the Company, while an audit order has been notified to the Company for the year 2013 and for a partial audit on VAT for the period 01/02/2010 -31/10/2012.

II) ASSOCIATE COMPANIES & JOINT VENTURES

COMPANY	YEARS	COMPANY	YEARS
LOTRICH INFORMATION Co LTD	2017	EASY PLAY S.R.L.	2017
INTRALOT SOUTH AFRICA LTD	2017	LA CHANCE S.R.L.	2016-2017
GOREWARD LTD	-	SLOT PLANET S.R.L.	2016-2017
GOREWARD INVESTMENTS LTD	-	GAMENET SCOMMESSE S.p.A. [2]	2013-2017
PRECIOUS SUCCESS LTD GROUP	2013-2017	TOPPLAY S.R.L.	2013-2017
GAIN ADVANCE GROUP LTD	-	GNETWORK S.R.L.	2015-2017
OASIS RICH INTERNATIONAL LTD	-	BILLIONS ITALIA S.R.L.	2015-2017
WUSHENG COMPUTER TECHNOLOGY (SHANGHAI) CO LTD	-	JOLLY VIDEOGIOCHI S.R.L.	2013-2017
UNICLIC LTD	2005-2017	ROSILSPORT SRL	2013-2017
DOWA LTD	2012-2017	NEW MATIC S.R.L.	2013-2017
GAMENET GROUP S.p.A.	2016-2017	AGESOFT S.R.L.	2016-2017
GAMENET S.p.A.	2013-2017	KARENIA ENTERPRISES COMPANY LTD	2010-2017
INTRALOT ITALIA S.p.A	2013-2017	INTRALOT DE PERU SAC	2015-2017
GAMENET ENTERTAINMENT S.R.L.	2013-2017	SERVICIOS TRANSDATA S.A. [1]	2012-2013

[1] The company Servicios Transdata SA have been merged with Intralot De Peru S.A.C.

[2] The company Gamenet Scommesse S.p.A. was merged with Gamenet S.p.A. on 1/1/2018.

The tax audits were completed in 2016 for the companies Wusheng Computer Technology Co Ltd, in Lotrich Information Co Ltd as well as in Intralot South Africa Ltd without incurring any tax burden and also in Dowa Ltd for the period 2004-2005. In Servicios Transdata S.A the tax audit for income tax was completed in 2014, for the year 2008 and VAT for the period 1/1/2008-30/6/2009 imposing additional taxes and fines amounting to €3,4 million. The company has launched an objection procedure in accordance with the relevant legislation to cancel the imposed taxes and fines. The company's legal consultants believe that the most possible outcome of the case will be positive.

On March 16, 2018, the Lazio Region Tax Authorities concluded the tax audit in relation to fiscal years 2013- 2014-2015 and issued the related assessment report, which contained the following claims: regarding IRES, it found a higher taxable income of approximately €53,4 million, which corresponds to a higher IRES amount of nearly €14,7 million; regarding IRAP, it found a higher taxable income of approximately €58,2 million, resulting in a higher IRAP amount of €3,0 million; and it identified non-application of withholding tax on an amount of €25 million, corresponding to higher withholding tax due of €3 million. Specifically, the Lazio Region Tax Authorities

- in the first finding, considered a service contract to be a profit sharing agreement and disallowed the related IRES and IRAP deductions;

- in the second finding, contested the non-application of withholding tax on amounts paid to the service supplier, on the basis that the entire amount due to the supplier should be considered as royalties subject to a withholding tax of 5%.;

- in the third finding, contested the non-application of withholding tax on interest paid to a company because it challenged (based on the audit) the status of beneficial owner, regarding determination of the right to reductions or exemptions from withholding tax deducted at source;

- in the fourth finding, disputed the deductibility, for IRES and IRAP purposes, of management fees relating to a consultancy agreement with non-resident companies;

- in the fifth finding, disputed the deductibility, for IRAP purposes, of the amortized cost relating to the bond and other.

- in the sixth finding, considered the underwriting fee relating to the bond to be interest payments and consequently contested the non-application of withholding tax.

While believing (based also on the opinion of authoritative professional experts) the assessments to be rebuttable from various viewpoints, following the summons notified by the Tax Authorities on April 27, 2018, the Company considered it advisable to attempt to reach a settlement in order to avoid litigation, the inherent risk of which is increased by the existence of charges regarding various years, many of which involving complex legal matters with no clear legal precedent. Following the related proceedings, on May 15, 2018, the Company accepted the final settlement proposal made by the tax authorities in respect of tax years 2012-2015, for a total amount of €5,2 million including fines and related interest (as compared with demands estimated at around €51,5 million) and paid the amounts in full during the period between May 18-30, 2018. The share of Intralot Group (20% - €1,0 million) to the effects of the settlement (€5,2 million) is reflected in the results of first half of 2018.

COMMITMENTS

I) Operating lease payment commitments

On 30 June 2018 within the Group there have been various operating lease agreements relating to rental of buildings and motor vehicles. Rental costs have been included in the income statement for the period ended 30 June, 2018. Future minimum lease payments of non-cancelable lease contracts as at 30 June, 2018 are as follows:

	GROUP		COMPANY	
	30/6/2018	31/12/2017	30/6/2018	31/12/2017
Within 1 year	3.891	5.372	782	835
Between 2 and 5 years	5.167	5.598	1.859	2.057
Over 5 years	614	796	614	738
Total	**9.672**	**11.766**	**3.255**	**3.630**

II) Guarantees

The Company and the Group on 30 June 2018 had the following contingent liabilities from guarantees for:

	GROUP		COMPANY	
	30/6/2018	31/12/2017	30/6/2018	31/12/2017
Bid	0	8	0	8
Performance	167.828	172.255	33.998	34.814
Financing	5.975	9.794	1.144	6.800
Other	253	302	253	302
Total	**174.056**	**182.359**	**35.395**	**41.924**

	GROUP	
	30/6/2018	31/12/2017
Guarantees issued by the parent and affiliates:		
-to third party	174.032	182.335
-to third party on behalf of associates	24	24
Total	**174.056**	**182.359**

	COMPANY	
	30/6/2018	31/12/2017
Guarantees issued by the parent:		
- to third party on behalf of affiliates	31.926	38.406
- to third party on behalf of associates	24	24
- to third party on behalf of the parent	3.445	3.494
Total	**35.395**	**41.924**

Beneficiaries of Guarantees:
Bid: Hrvatska Lutrija D.O.O
Performance: Arkansas Lottery Commission, Azeridmanservis LLC, City of Torrington, Centre Monetique Interbancaire (CMI), DC Lottery Board, Georgia Lottery Corporation, GPT Pty Ltd, Hrvatska Lutrija D.O.O., Idaho State Lottery, Kansas Department of Administration - Procurement and Contracts, La Societe de Gestion de la Loterie National & la Marocaine des Jeux et des Sports, Loteria do Estado de Minas Gerais, Lotteries Commission of Western Australia, Louisiana Lottery Commission, Lutrija Bosne i Hercegovine D.O.O., Malta Gaming Authority, Maryland State Lottery, Meditel Telecom SA, Milli Piyango Idaresi Genel Mudurlugu, Moniton Pty Ltd, National Betting Authority of Cyprus, New Hampshire Lottery Commission, New Mexico Lottery Authority, Ohio Lottery, Polla Chilena de Beneficencia S.A., South Carolina Education Lottery, South Carolina Education Lottery Systems & Other Services, Spor Toto Teskilat Baskanligi, State of Montana, State of Ohio, Department of Administrative Services, State of Vermont, Vermont Lottery Commission, Stichting Exploitatie Nederlandse Staatsloterij, T.C. Basbakanlik Genclik ve Spor Genel Mudurlugu Spor Toto Teskilat Baskanligi, Totalizator Sportowy Sp. Z.o.o., Town of Greybull, Town of Jackson, City of Gillette, Wyoming Lottery Corporation, Information society S.A., OPAP S.A., Airport EL. Venizelos Customs, Eleusis Customs
Financing: Milli Piyango Idaresi Genel Mudurlugu, Bogazici Kurumlar Vergi Dairesi Mudurlugu, State of Ohio, Department of Health, Fondazione Enasarco, Hanseatische Immobilienfonds Gmbh, Econocom Netherland BV
Other: Teknoloji Holdings

III) Financial lease payment commitments

GROUP	Minimum of the lease payments 30/6/2018	Present value of the minimum lease payments 30/6/2018	Minimum of the lease payments 31/12/2017	Present value of the minimum lease payments 31/12/2017
Within 1 year	2.037	1.721	1.462	1.418
Between 2 and 5 years	2.885	2.623	1.397	1.389
Over 5 years	0	0	0	0
Minus: Interest	-578	0	-52	0
Total	**4.344**	**4.344**	**2.807**	**2.807**

The Company has no obligations under finance leases.

IV) Other commitments

The Group has contractual obligations for the purchase of telecommunication services for the interconnection of points of sale. The minimum future payments for the remaining contract duration on 30 June 2018 were:

GROUP	30/6/2018	31/12/2017
Within 1 year	2.311	2.875
Between 2 and 5 years	2.328	3.096
Over 5 years	0	0
Total	**4.639**	**5.971**

2.22 COMPARABLE FIGURES

In the data presented in the previous year were limited size adjustments / reclassifications for comparative purposes, without significant impact on equity, turnover and profit after tax for the previous year the Group and the Company.

2.23 SUBSEQUENT EVENTS

On July 2018, INTRALOT announced the five-year renewal of its contract with the New Hampshire Lottery. The renewal will begin at the end of the current contract expiring on 30 June 2020, extending the partnership until 30 June 2025. The New Hampshire Lottery Commission is America's first and oldest lottery and maintains its leading position in the gaming industry. INTRALOT began its partnership with the New Hampshire Lottery in 2010. Keno is the latest game added to the Lottery portfolio. It is called "KENO 603" and runs through peripheral systems, which are an integral part of the renewal. Revenue from the expected increase in Keno will allow the New Hampshire State to fund the nursuring program for the coming years.

On July 2018, INTRALOT announced the renewal of its “WLA Certification of Alignment” with the Responsible Gaming Framework through July 2021. In-depth assessment on its products and services as well as its Responsible Gaming practices was performed by the WLA Approved assessor, TÜV NORD. TÜV Nord is one of the world’s largest certification bodies performing on-site inspections and examining the local operations. Granted accreditation is in accordance with the criteria set in WLA Responsible Gaming Certification Standards for Associate Members and covers all corporate functions certifying the integrity of the games and corporate conduct. The certification covers the complete life cycle of system and service design, development, implementation, support and operations. INTRALOT, as a leader in the gaming sector, recognizes that Responsible Gaming is an essential element of both its business and its corporate social responsibility strategy. The company ensures that players have the choice of well-designed games in a secure and supportive environment and implements strategies for preventing underage, illegal and problem gambling, or other potential harm to society. In order to achieve these goals, INTRALOT has dedicated corporate governance structures to oversee the development and execution of its Responsible Gaming Program on the basis of all 8 elements of the WLA Responsible Gaming Standards.

Our fully owned subsidiary in Russia, Intralot OOO that serves the Russian state lottery (Stoloto) under a management contract that expires in 2021, has been notified that starting July 1st, 2018, the client will carry-out all INTRALOT offered services through in-house resources, translating in an effectively dormant contract. Currently, we examine all our available options, including legal actions. At the same time, our subsidiary, is examining new options to expand its market penetration in the Russian Gambling market. Intralot OOO's LTM contribution to INTRALOT Group Financial Results for the period 1/7/2017 to 30/6/2018 can be summarized as follows: Revenue €2,0 million (0,2% of total Group Revenue), EBITDA €0,8 million, Profit / loss before tax €1,3 million and Profit / loss after tax €1,1 million.

Since July 2018, there are strong indications that Argentina based on IAS 29 "Financial reporting in hyperinflationary economies" can now be seen as a hyperinflationary economy for accounting purposes. The Group currently examines the impact of the application of IAS 29 on the financial statements of its two subsidiaries (Techno Accion S.A. and Techno Accion Salta S.A.) operating in Argentina. The Group is expected to apply IAS 29 since third quarter of 2018.

On August 2018 INTRALOT announced the signing of a new contract between the Turkish State Organization SporToto and INTELTEK, its subsidiary in Turkey, in partnership with Turkcell, to continue the operation and technical support of the successful and extremely popular fixed odds sports betting game Iddaa for up to one additional year, starting August 29, 2018. The new contract is under the same main terms with the 10-year contract that expires on August 28, 2018. INTELTEK was awarded the first contract by SporToto in 2003 and introduced the Iddaa game in 2004 extending its services through a competitive tender process in 2008.

Maroussi, 30 August 2018

THE CHAIRMAN OF THE BOARD OF DIRECTORS	**THE GROUP CEO**

S.P. KOKKALIS **ID. No. AI 091040**	**A.I. KERASTARIS** **ID. No. AI 682788**
THE GROUP CFO	**THE GROUP ACCOUNTING DIRECTOR**
G. SP. KOLIASTASIS **ID No. AN 157931**	**N. G.PAVLAKIS** **ID.No. AZ 012557** **H.E.C. License** **No. 15230/ A' Class**

3. Figures and Information for the period 1 January 2018 until 30 June 2018

INTRALOT S.A.

INTEGRATED LOTTERY SYSTEMS AND SERVICES
Company's Number in the General Electronic Commercial Registry: 818201000 - (Public Companies (S.A.) Reg. No.: 27074/06/B/92/9)
Company Domicile: 64 Kifisias Av. & 3 Premetis Str., Maroussi 15125
Figures and information for the period from 1st January 2018 to 30th June 2018
Amounts in €'000

The figures presented below aim to provide summary information about the financial position and results of INTRALOT S.A. and INTRALOT's Group. Therefore, it is recommended to any reader who is willing to proceed to any kind of investment decision or other transaction concerning the company, to visit the company's web site where the Financial Statements according to IFRSs are posted, accompanied by the Auditor's Review Report where appropriate.

Regulatory Authority:
Ministry of Economy, Development and Tourism, Department for Companies and G.E.MI.

Financial Statements approval date:
August 30, 2018

Web site:
www.intralot.com

Certified Auditor:
Evaggelos D. Kosmatos Reg.No/S.O.E.L 13561
Nikolaos Ioannou Reg.No/S.O.E.L 29301

Auditing firm:
S.O.L S.A Reg. No/S.O.E.L 125
Grant Thornton Reg. No/S.O.E.L 127

Type of auditor's audit report:
Unqualified opinion

STATEMENT OF FINANCIAL POSITION GROUP / COMPANY

	GROUP 30/6/2018	GROUP 31/12/2017	COMPANY 30/6/2018	COMPANY 31/12/2017
ASSETS				
Tangible Assets	105.806	102.793	15.415	15.794
Investment Property	0	0	0	0
Intangible Assets	328.146	324.508	94.641	93.729
Other Non-Current Assets	179.084	178.551	142.872	142.885
Inventories	45.114	31.482	20.266	18.839
Trade Receivables	74.231	84.191	40.593	47.218
Other Current Assets	254.740	300.339	77.476	79.133
TOTAL ASSETS	**987.121**	**1.021.864**	**391.263**	**397.598**
EQUITY AND LIABILITIES				
Share Capital	47.089	47.689	47.089	47.689
Other Equity Elements	-7.397	10.133	27.580	36.872
Shareholders Equity (a)	**39.692**	**57.822**	**74.669**	**84.561**
Non-Controlling Interest (b)	21.800	31.966	0	0
Total Shareholders Equity (c)=(a)+(b)	**61.492**	**89.788**	**74.669**	**84.561**
Long-term Debt	742.663	729.377	255.395	232.179
Provisions / Other Long term Liabilities	32.331	29.567	16.851	16.904
Short-term Debt	24.723	19.345	0	0
Other Short-term Liabilities	125.912	153.787	44.348	63.954
Total Liabilities (d)	**925.629**	**932.076**	**316.594**	**313.037**
TOTAL EQUITY AND LIABILITIES (c)+(d)	**987.121**	**1.021.864**	**391.263**	**397.598**

STATEMENT OF CHANGES IN EQUITY GROUP / COMPANY

	GROUP 30/6/2018	GROUP 30/6/2017	COMPANY 30/6/2018	COMPANY 30/6/2017
Net equity at the beginning of the period (1/1/2018 and 1/1/2017 respectively) prior to the application of IFRS 9 & 15	**89.788**	**196.486**	**84.561**	**96.808**
Efect from the application of IFRS 15[1]	-937	0	-333	0
Efect from the application of IFRS 9[1]	-5.738	0	-2.688	0
Net equity at the beginning of the period (1/1/2018 and 1/1/2017 respectively) after the application of IFRS 9 & 15	**83.113**	**196.486**	**81.540**	**96.808**
Effect on retained earnings from previous years adjustments	-81	-96	0	0
Total comprehensive income / (expenses) for the year after tax (continuing and discontinued operations)	10.818	-12.393	-1.348	-175
Dividends to equity holders of parent / non-controlling interest	-26.828	-30.999	0	0
New Consolidated Entities	-10	0	0	0
Treasury shares repurchase/disposal	-5.523	-6	-5.523	-6
Associate companies stock options	3	0	0	0
Effect due to change in participation percentage	0	-15	0	0
Net Equity of the period Closing Balance (30/6/2018 and 30/6/2017 respectively)	**61.492**	**152.977**	**74.669**	**96.627**

1 Relates to adjustment of the opening balance from the first application of IFRS 9 and IFRS 15 (note 2.1.4 of interim financial statement

CASH FLOW STATEMENT GROUP / COMPANY (total operations)

	GROUP 1/1-30/6/2018	GROUP 1/1-30/6/2017	COMPANY 1/1-30/6/2018	COMPANY 1/1-30/6/2017
Operating Activities				
Profit/(loss) before Taxation (continuing operations)	32.451	17.513	-1.267	-2.516
Profit/(loss) before Taxation (discontinued operations)	0	-2.966	0	0
Plus/Less adjustments for:				
Depreciation and Amortization	31.810	35.788	6.965	7.780
Provisions	909	2.323	1.440	1.529
Results(income, expenses, gain and loss)from Investing Activities	-6.085	16.872	-8.822	-10.966
Interest and similar expenses	25.423	27.222	7.991	8.713
Interest and similar income	-3.437	-3.623	-1.822	-1.605
Plus/Less adjustments of working capital to net cash or related to operating activities:				
Decrease/(increase) of Inventories	-11.465	-4.064	-18	-1.069
Decrease/(increase) of Receivable Accounts	-906	142	170	11.628
(Decrease)/increase of Payable Accounts (except Banks)	-18.124	3.698	-16.185	-6.625
Less:				
Income Tax Paid	13.898	15.699	0	481
Total inflows / (outflows) from Operating Activities (a)	**36.678**	**77.206**	**-11.548**	**6.388**
Investing Activities				
(Purchases)/Sales of subsidiaries, associates, joint ventures and other investments	-3.620	4.514	0	9.000
Purchases of tangible and intangible assets	-42.674	-41.369	-8.808	-8.461
Proceeds from sales of tangible and intangible assets	285	124	0	40
Interest received	4.080	2.622	489	0
Dividends received	6.810	1.832	8.572	13.425
Total inflows / (outflows) from Investing Activities (b)	**-35.119**	**-32.277**	**253**	**14.004**
Financing Activities				
Treasury shares repurchase	-5.523	-6	-5.523	-6
Cash inflows from loans	52.585	52.550	15.000	0
Repayment of loans	-28.795	-53.216	0	-13.900
Bond buy backs	-5.004	0	0	0
Repayment of finance lease obligations	-2.888	-923	0	0
Interest and similar expenses paid	-25.091	-25.407	850	-2.138
Dividends paid	-27.752	-27.497	0	0
Total inflows/(outflows)from Financing Activities (c)	**-42.468**	**-54.499**	**10.327**	**-16.044**
Net increase/(decrease) in cash and cash equivalents for the period (a)+(b)+(c)	**-40.909**	**-9.570**	**-968**	**4.348**
Cash and cash equivalents at the beginning of the period	**238.041**	**164.401**	**20.434**	**20.356**
Net foreign exchange difference	-2.281	-7.622	-135	-227
Cash and cash equivalents at the end of the period from total operations	**194.851**	**147.209**	**19.331**	**24.477**

INCOME STATEMENT GROUP / COMPANY

	GROUP 1/1-30/6/2018	GROUP 1/1-30/6/2017	GROUP 1/4-30/6/2018		GROUP 1/4-30/6/2017	COMPANY 1/1-30/6/2018	COMPANY 1/1-30/6/2017	COMPANY 1/4-30/6/2018	COMPANY 1/4-30/6/2017
Sale Proceeds	547.618	534.701	266.952	0	265.742	29.414	27.026	14.913	12.890
Less: Cost of Sales	-431.123	-426.305	-211.237	0	-212.065	-18.386	-17.106	-8.659	-8.237
Gross Profit / (Loss)	**116.495**	**108.396**	**55.715**		**53.677**	**11.028**	**9.920**	**6.254**	**4.653**
Other Operating Income	7.341	8.795	3.819	0	4.599	86	117	37	71
Selling Expenses	-31.826	-28.106	-14.640	0	-14.447	-4.266	-5.306	-1.944	-2.531
Administrative Expenses	-37.379	-37.298	-19.101	0	-18.993	-6.508	-6.840	-3.327	-3.734
Research and Development Expenses	-2.866	-2.726	-1.376	0	-1.070	-2.866	-2.726	-1.376	-1.070
Other Operating Expenses	-3.495	-1.795	-3.063	0	-1.559	-1.394	-1.540	-127	-1.538
EBIT	**48.270**	**47.266**	**21.354**		**22.207**	**-3.920**	**-6.375**	**-483**	**-4.149**
Income/(expenses) from participations and investments	2.733	982	1.727	0	445	9.205	11.456	735	-441
Gain/(loss) from assets disposal, impairment loss and write-off of assets	-172	-919	-63	0	-864	0	-6	0	0
Interest and similar expenses	-25.423	-26.890	-12.463	0	-13.951	-7.991	-8.713	-4.122	-4.477
Interest and related income	3.437	3.321	1.564	0	1.629	1.822	1.605	1.202	870
Exchange differences	3.603	-4.235	6.264	0	-5.037	-383	-483	592	-281
Profit / (Loss) from equity method consolidations	3	-2.012	853	0	-839	0	0	0	0
Profit / (Loss) before tax from continuing operations	**32.451**	**17.513**	**19.236**		**3.590**	**-1.267**	**-2.516**	**-2.076**	**-8.478**
Tax	-15.550	-15.073	-6.794	0	-5.318	-138	2.542	673	3.676
Net Profit / (Loss) after tax from continuing operations	**16.901**	**2.440**	**12.442**		**-1.728**	**-1.405**	**26**	**-1.403**	**-4.802**
Net Profit / (Loss) after tax from discontinued operations	**0**	**-5.399**	**0**		**-8.371**	**0**	**0**	**0**	**0**
Net Profit / (Loss) after tax (continuing and discontinued operations) (A)	**16.901**	**-2.959**	**12.442**		**-10.099**	**-1.405**	**26**	**-1.403**	**-4.802**
Attributable to:									
- Equity holders of parent	-3.083	-25.801	2.953	0	-20.330	-1.405	26	-1.403	-4.802
- Non-Controlling Interest	19.984	22.842	9.489	0	10.231	0	0	0	0
Other comprehensive income / (expenses), after tax (B)	**-6.083**	**-9.434**	**3.282**		**-2.846**	**57**	**-201**	**36**	**-48**
Total comprehensive income / (expenses) after tax (A) + (B)	**10.818**	**-12.393**	**15.724**		**-12.945**	**-1.348**	**-175**	**-1.367**	**-4.850**
Attributable to:									
- Equity holders of parent	-5.752	-29.193	7.905	0	-18.720	-1.348	-175	-1.367	-4.850
- Non-Controlling Interest	16.570	16.800	7.819	0	5.775	0	0	0	0
Earnings / (loss) after tax per share (in euro)									
- Basic	-0,0197	-0,1639	0,0189		-0,1292	-0,0090	0,0002	-0,0090	-0,0305
- Diluted	-0,0197	-0.1639	0,0189		-0.1292	-0,0090	0,0002	-0,0090	-0,0305
EBITDA	**80.080**	**82.092**	**37.482**		**40.265**	**3.045**	**1.405**	**2.985**	**516**
Proposed dividend per share (in €)	0	0	0	0	0	0	0	0	0

Supplementary information:

1. The same accounting policies have been followed as the year-end consolidated financial statements 31/12/2017 except for the changes resulting from the adoption of new or revised accounting standards and interpretations as mentioned in note 2.1.4 of the interim financial statements.

2. The companies included in the consolidation of 30/6/2018 and not in the consolidation of 30/6/2017 due to subsequent acquisition/establishment are the following: Gardan Ltd (subsidiary), as well asRosilSport S.r.l., Easy Play S.r.l. and Karenia Enterprises Company Limited (associates) (note 2.20.A of interim financial statements). During second quarter of 2017 the associate company Gamenet S.p.A. (20%) increased its stake in associate company Verve S.p.A to from 51% to 100%, while the associate company Gamenet Entertainment S.r.L. (20%) acquired by 60% the Italian company La Chance S.r.L. which owns 100% of the Italian company Slot Planet S.r.L. During the fourth quarter of 2017 the group acquired an additional stake of 61% in the associate company Bit8 Ltd increasing its share to 100% and also acquired through its subsidiary Intralot Global Holdings BV the 100% of Gardan Ltd. Also during last quarter of 2017 the associate company Jolly Videogiochi S.R.L (14%) acquired by 75% the Italian company RosilSport S.R.L. and the associate company Gamenet Entertainment S.R.L. (20%) acquired by 51% the Italian company Easy Play S.R.L. On March 2018 the subsidiary Intralot Capital Luxemburg S.A. absorbed its 100% subsidiary Intralot Finance Luxemburg S.A.. At 1/1/2018 the associate company Gamenet S.p.A. (20%) absorbed its 100% subsidiary Gamenet Scommesse S.p.A. The entities Atropos S.A., Nafirol S.A., Gaming Solutions International Ltda, Loteria Moldovei S.A., Lebanese Games S.A.L, Intralot Hong Kong Holdings Ltd and Gain Advance Group LTD are in the process of liquidation. The Group completed the liquidation and strike off of its associate, Veneta Servizi S.R.L. in December 2017, and its subsidiaries Intralot Latin America Inc (May 2018) and Intralot Dominicana S.A. (June 2018). The management of subsidiary Inteltek Internet AS, parent of Azerinteltek AS, decided in mid-February to investigate the possibility of selling its 51% stake in Azerinteltek AS.

3. On July 24, 2018, the associate entity Gamenet Group S.p.A. (20%) announced that its, 100% subsidiary, Gamenet S.p.A. signed a binding contract for the acquisition of 100% of the share capital of GoldBet S.r.l. ("GoldBet"), an authorized gaming and betting company in Italy. GoldBet ended 2017 with EBITDA of €40 million, EBIT €34 million, Net Income of €23 million and estimates an EBITDA for the period of 12 months ended June 30, 2018 of approximately €50 million. The value of the Acquisition is €265 million (enterprise value), to be adjusted with the value of the net financial position, as defined in the contract, as of June 30, 2018 (the "Price"). Of this amount, €240 million, adjusted with the value of the net financial position referred to above, will be paid in cash on the date of completion of the Acquisition ("Closing"), expected by the end of the third and beginning of the fourth quarter of 2018, while €25 million will be paid subsequently, as deferred price components over a medium-term period, subject to the occurrence of certain conditions provided for in the acquisition contract. From the integration of GoldBet, significant cost synergies are envisaged, which are expected to reach, on an annual base, approximately €12-15 million in the period 18-24 months after the closing date, as well as significant synergies in terms of revenues, particularly virtual betting. The Closing is subject to the occurrence of the usual conditions precedent for this type of transactions, including the approval of the Competition Authority and the authorization of the Customs and Monopolies Agency. (note 2.20.A.III of interim financial statements).

4. On January 2018 the Group completed – through its subsidiary INTRALOT Global Holdings BV –the acquisition of 50% of the Cypriot company "KARENIA ENTERPRISES COMPANY LIMITED", for the price of €6,75 million. This company participates with 30% stake in "ATHENS RESORT CASINO HOLDINGS S.A.", which holds a 51% stake in "REGENCY CASINO MONT PARNES". (note 2.20.A.III of interim financial statements).

5. In December 2016, the Group decided to discontinue its activities regarding the betting services provided through its subsidiary Favorit Bookmakers Office OOO in Russia. On 31/12/2016 the above Group's activities in Russia were classified as discontinued operations pursuant to IFRS 5 par.13. In June 2017, the Group signed a disposal agreement for the 100% of Favorit Bookmakers Office OOO (note 2.20.A.VIII.A of interim financial statements). The consideration price for the disposal of Favorit Bookmakers Office OOO amounted to €3,5 million and paid within 2017.

6. The Group signed a Sales and Purchase Agreement (SPA) with Zodiac International Investments Ltd in the beginning of October 2017 for the sale of its 50,05% stake in Intralot Caribbean Ventures Ltd, which owns 49,9% of the subsidiary Supreme Ventures Limited - a company listed on the Jamaica Stock Exchange. The consideration price was agreed at USD 40 million, which corresponds to approximately 12 times the annual (reference period of the last twelve months to 30.6.2017) profit after tax attributable to the shareholders of the Group. As of 2/10/2017, the Group's above-mentioned activities in Jamaica and Santa Lucia were classified as discontinued operations (note 2.20.A.VIII.B of interim financial statements).

7. The Group signed on 18 December 2017 a Sales and Purchase Agreement (SPA) with Olbena S.R.O. to sell its 51% stake in subsidiary Slovenske Loterie AS. The consideration price was agreed at €1,75 million, which corresponds to approximately 12 times the annual (reference period of the last twelve months to 30.9.2017) EBITDA. Since 18/12/2017 the aforementioned activities of the Group in Slovakia were classified as discontinued operations (note 2.20.A.VIII.C of interim financial statements).

8. The Group's provisions at 30/6/2018 that refer to legal issues amount to €4,8 million, those referring to unaudited tax periods and tax audit expenses amount to €3,1 million and €5,1 million refer to other provisions. The respective amounts for the Company amount to €4,7 million (legal issues), €3,1 million (provisions for unaudited tax years and tax audit expenses) and €0,1 million (other provisions) (note 2.20.C & 2.21 of interim financial statements).

9. The number of employees of the Group on 30/6/2018 amounted to 5.132 persons (Company/subsidiaries 3.054 and associates 2.078) and the Company's to 682 persons. Respectively on 30/6/2017 the number of employees of the Group amounted to 5.168 persons (Company/subsidiaries 3.288 and associates 1.880) and the Company 714 persons. At the end of 2017 fiscal year the number of employees of the Group amounted to 5.149 persons (Company/subsidiaries 3.132 and associates 2.017) and the Company 735 persons.

10. Companies that are included in 30/6/2018 consolidated financial statements are presented in note 2.20.A.I & II of the interim financial statements including locations, group percentage ownership and consolidation method.

11. The fiscal years that are unaudited by the tax authorities for the Company and the Group's subsidiaries are presented in detail in the note 2.21.B.I & II of the interim financial statements.

12. The amounts of other comprehensive expense/income included directly in the Group's comprehensive income statement as at 30/6/2018 of €-6,1 million (2017: €-9,4 million) concern: foreign exchange differences of €-8,4 million (2017 : €-9,6 million), €66k (2017: €61k) concerns the valuation of derivatives, €2,3m (2017: €0,1 million) concerns valuation of financial assets measured at fair value through other comprehensive income, while amount €-93k (2017: €-3k) concerns defined benefit plans revaluation. Accordingly, the amounts of expense/income recorded in the comprehensive income statement as at 30/6/2018 for the Company, amounted to €57k (2017: €-201k) refer to: valuation of financial assets measured at fair value through other comprehensive income €-9k (2017: €-262k) and derivatives valuation €66k (2017: €61k).

13. On 30/6/2018 the Company held 5.425.664 treasury shares with a total acquisition cost of € 5.462 k (note 2.15 of the interim financial statements).

14. There are no changes in accounting estimates. Certain prior year amounts have been reclassified for presentation purposes with no significant impact on the prior year equity, turnover and earnings after tax of the Group and the Company.

15. Significant events after the end of the reporting period and up to the release date of the financial results are stated in the note 2.23 of the interim financial statements.

16. Transactions (including income, expenses, receivables, payables) with related parties, are as follows:

	GROUP	COMPANY
a) Income		
-from subsidiaries	0	19.010
-from associates	2.762	3.158
-from other related parties	4.472	2.594
b) Expenses		
-to subsidiaries	0	10.256
-to associates	33	11
-to other related parties	5.288	2.074
c) Receivables		
-from subsidiaries	0	70.823
-from associates	10.980	7.308
-from other related parties	12.211	9.263
d) Payables		
-to subsidiaries	0	276.682
-to associates	14	13
-to other related parties	5.315	3.125
e) BoD and Key Management Personnel transactions and fees	3.625	2.195
f) BoD and Key Management Personnel receivables	0	0
g) BoD and Key Management Personnel payables	125	0

Maroussi, August 30, 2018

THE CHAIRMAN OF THE BOARD OF DIRECTORS	THE GROUP CHIEF EXECUTIVE OFFICER	THE GROUP CHIEF FINANCIAL OFFICER	THE GROUP ACCOUNTING DIRECTOR
S. P. KOKKALIS ID. No. AI 091040	A. I. KERASTARIS ID. No. AI 682788	G. SP. KOLIASTASIS ID. No. AN 157931	N.G. PAVLAKIS ID. No. AZ 012557 H.E.C. License No. 15230/A' Class