INTRALOT Group

ANNUAL FINANCIAL STATEMENTS
(based on the Article 4 of L.3556/2007)
FOR THE PERIOD ENDED December 31, 2018
ACCORDING TO
INTERNATIONAL FINANCIAL REPORTING STANDARDS
(IFRS)

Contents

Representation of the Members of the Board of Directors (according to article 4 par. 2 of L.3556/2007)

The

1. Sokratis P. Kokkalis, Chairman of the Board of Directors and Group CEO
2. Chrysostomos D. Sfatos, Member of the Board of Directors and Deputy Group CEO
3. Sotirios N. Filos, Member of the Board of Directors

CERTIFY THAT

As far as we know:

a. The enclosed financial statements of the company "INTRALOT S.A" for the year 1 January 2018 to 31 December 2018, drawn up in accordance with the applicable accounting standards, reflect in true manner the assets and liabilities, equity and results of the Company and the companies included in the consolidated financial statements taken as a total.

b. The attached Board of Directors' annual report truly presents the course, the performance and the position of the Company and the companies included in the consolidated financial statements taken as a total, including the description of the most important risks and uncertainties they are facing.

c. The attached Financial Statements are those approved by the Board of Directors of "INTRALOT S.A." at April 15, 2019 and have been published to the electronic address www.intralot.com.

Maroussi, April 15, 2019

The designees

Socratis P. Kokkalis	Chysostomos D. Sfatos	Sotirios N. Filos
Chairman of the Board of Directors and Group CEO	Member of the Board and Deputy Group CEO	Member of the Board

REPORT OF THE BOARD OF DIRECTORS-INTRALOT GROUP TO THE ANNUAL GENERAL ASSEMBLY OF THE SHAREHOLDERS FOR THE FISCAL YEAR 01/01/2018-31/12/2018

Dear Shareholders,

The past year was pivotal for INTRALOT as our investments in the development of our next-generation gaming solutions and our strategic repositioning efforts reflect the progress in all major strategic goals towards a stable and predictable future of the company.

This is evident from the stream of new contracts awarded in 2018 in addition to several contract extensions achieved within the year. These successes indicate the continued trust of our customers in our technological capabilities and solutions and the appeal that our latest technologies already demonstrate within the State-sponsored Lottery community.

In 2018, we renewed our gaming systems contract with the first and oldest US State Lottery, the New Hampshire Lottery, for a period of 5 years through 2025 and includes the introduction of the Keno game which is expected to contribute in growing lottery revenues significantly over the next years. In addition, we have achieved the renewal of strategic contracts in the US, in particular with State Lotteries in Wyoming and New Mexico, while the sports betting contract in Turkey has been extended through August 2019. It is noteworthy that the extension of our long-standing relationship with the New Mexico Lottery encompasses the deployment of sports betting lottery games, which marks the first direct engagement of a State Lottery with sports wagering games and of INTRALOT US, in the post-PASPA period.

A milestone accomplishment for INTRALOT in our core US State Lottery market, was the launch of cashless play for the Ohio Lottery in collaboration with Visa and Worldpay, the largest statewide rollout of a cashless play program in the United States. Cashless play is widely considered one of the most important revenue drivers for lotteries in the years to come and the results of the first months of cashless transactions in Ohio have verified this trend.

On the front of new contracts, early in the year we have obtained a landmark gaming system and services contract from CAMELOT, the new Private Manager of the State Lottery. Moreover within 2018, we have signed three important contracts with existing customers, Lotto Hamburg in Germany, Hrvatska Lutrija the Croatian State Lottery and Nederlandse Loterij the monopoly National Lottery operator in the Netherlands. These lucrative contracts, which are expected to commence within the 2019 and early 2020, follow competitive, negotiated procurement processes and are expected to contribute significant revenues over their duration.

INTRALOT's unwavering commitment to ethics, transparency, integrity and responsible gaming has been further amplified in 2018 through our certification under the ISO 37001 for anti-bribery management systems, one of the first in the global gaming industry and the renewal of our «WLA Certification of Alignment» with the Responsible Gaming Framework. In addition, we have joined the Global Lottery Monitoring System, the global lotteries' sports integrity body, as an Associate Member, which demonstrates our commitment to contribute in safeguarding of integrity in sports.

Regarding the financial results of INTRALOT Group for 2018, revenue presented a decrease of 6,4% with group turnover amounting to €870,8 million compared to €930,6 million in 2017. Earnings before interest, tax, depreciation and amortization (EBITDA), amounted to €116,5 million from €151,0 million in 2017, a decrease of 22,8% as the organic growth did not manage to absorb OPAP's new contract scope, USA's shortfall (4Q17 Ohio terminals sale, SC contract discontinuation, and IL implementation expenses), LY's software license right sale in Australia, and Bit8's first time consolidation. EBITDA was further deteriorated by the adverse FX movement across markets (mainly Turkey, Argentina, Australia and the US). Earnings before taxes (EBT) improved by 79,6% to €-2,1 million from €-10,3 million in 2017, while Group net income after minority interests amounted to €-58,5 million from €-63,8 million in 2017. The above results do not include the discontinued operations of the Group's subsidiaries in Jamaica, Santa Lucia, Slovakia, Russia, and Azerbaijan. Concerning parent company results, turnover decreased by 7,5% to €61,8 million in 2018, while profit after tax amounted to €-16,1 million from €-11,5 million in 2017.

In 2018, group Operating Cash-flow posted a decrease and stood at €88,6 million vs. €154,0 million in 2017. Excluding the operating cash-flow contribution of our discontinued operations (Jamaica, Santa Lucia, Russia, Slovakia, and Azerbaijan) the cash-flow from operating activities is lower by €56,2m (€74,3m vs. €130,5m) significantly driven by the lower recorded EBITDA y-o-y (€-34,5m) and the adverse working capital movement of FY18 (€-33,0m vs. €+1,4m in FY17; mainly due to the repayment of a long-due interest-bearing liability and inventory build-up for new projects) while in part offset by lower tax payments, vs. FY17, by the Parent Company following one-off profits recorded in 2016.

Net debt, as of December 31, 2018, stood at €615,3m, up €104,6m compared to December 31, 2017, largely as a result of the investments in our US business, the payment of the last instalment towards AMELCO software, the repayment of a long due interest-bearing liability, the inventory build-up for new projects, and our own shares repurchases.

WHO WE ARE

Company Profile

INTRALOT, a public listed company established in 1992, is a leading gaming solutions supplier and operator active in 47 regulated jurisdictions around the globe. With €0,9 billion turnover and a global workforce of approximately 5.200 employees in 2018 INTRALOT is an innovation – driven corporation uniquely positioned to offer to lottery and gaming organizations across geographies market-tested flexible, reliable and secure gaming products and services.

In 2018, INTRALOT handled approximately €17,5 billion of wagers. It currently has approximately 285.000 of its proprietary terminals deployed worldwide.

INTRALOT, based on its strategic approach **The Intelligent Future of Gaming**, has invested in the development of next-generation gaming solutions and services to support Lotteries' modernization and digital transformation with holistic product portfolio that focus on the players' modern needs and offers entertainment experiences through all distribution channels, across all verticals (Lottery, Betting, Interactive, VLT).

INTRALOT has adopted a global growth strategy designed around synergies with local partners, which aims to expand its market penetration capacity and diversify its product portfolio in local markets.

As member of the UN Global Compact, INTRALOT is a global corporate citizen committed to sustainable development and is an active proponent of the principles of Responsible Gaming, being awarded with the WLA Responsible Gaming Framework Certificate.

The Company maintains the highest security certifications, as INTRALOT has been the first international vendor in the gaming sector to be certified under the World Lottery Association (WLA) Security Control Standard in 2008 and is being recertified with up to date Control Standard. Moreover, the company's Information Security Management System (ISMS) was ISO 27001 certified in 2008. Our current WLA SCS:2016 and ISO 27001:2013 certifications cover INTRALOT Headquarters, and 20 additional subsidiaries' operations around the world. INTRALOT has also been ISO 9001 certified for Quality Management since 2002. INTRALOT is also in possession of ISO 14000 for Environmental Management, ISO 20000 for IT Service Management, ISO 29990 for Learning Services and ISO 37001 for Anti-Bribery Management Systems.

Among other distinctions, INTRALOT has received the GOLD SEE G award by European Business Ethics Network GR for Business Ethics, Corporate Governance, and Corporate Social Responsibility while our General Technical Division was awarded the Recognized for Excellence in Europe - 5 Stars distinction by the European Foundation for Quality Management (EFQM). Furthermore, INTRALOT has ranked among EU's top industrial R&D spenders according to the EU Commissions Scoreboard for the past 12 years, highlighting the company's accelerated performance in extensive investment on technology innovation.

INTRALOT contributes decisively to the future developments of the industry being a member of the major Lottery and Gaming Associations around the globe: Platinum Contributor of WLA, Premium Partner of European Lotteries, Level I of NASPL (North American Association of State &

Provincial Lotteries), Star Contributor of CIBELAE (Lottery Association for South America and the Iberian Peninsula), Gold Sponsor of APLA (Asia Pacific Lottery Association), Member of GSA (Gaming Standards Association) and Gold Member of AGEM (Association of Gaming Equipment Manufacturers). In addition, in 2018 INTRALOT has become an Associate Member of the Global Lottery Monitoring System (GLMS), the state lotteries' mutualized monitoring system on sports betting.

Recent Company Developments

Projects / Significant Events

On February 1, 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 14, 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.

On May 14, 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.

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.

In early July 2018, INTRALOT Group announced a five-year extension to its current gaming systems contract with the New Hampshire Lottery Commission 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.

In the same period, 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.

On July 31, 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 28, 2018, INTRALOT Group 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, under the same main terms.

In early September 2018, INTRALOT Global Operations B.V. a fully owned subsidiary company of INTRALOT S.A., following a competitive tender process procured by the German State Lottery "LOTTO Hamburg GmbH" was awarded a ten (10) years contract for the provision of a new integrated Lottery System Platform.

On October 10, 2018, INTRALOT Group announced that - Following a competitive process by the Croatian State Lottery "Hrvatska Lutrija" – it was awarded a 10-year contract for the implementation of the new integrated Lotos10 ecosystem with the Omni Channel capability, the deployment of innovative Retail technology and the provision of operational support.

On November 12, 2018, INTRALOT Group announced that the New Mexico Lottery Board voted unanimously to move forward with the creation of a game tied to the outcome of sporting events (Sports Lottery) as well as to grant a 2-year extension on its existing online systems contact with INTRALOT. The New Mexico Lottery will be the first Lottery in the United States to authorize a Sports wagering lottery game to be available through its entire retail network.

In early December 2018, INTRALOT Group announced the signing of a new contract for NEDERLANDSE LOTERIJ, operator of the Dutch Lottery and numerous other gaming brands, following a competitive international tender. Within the scope of this contract INTRALOT provides a Central System and installs technology solutions in all retail locations of Nederlandse Loterij. INTRALOT services are planned to transition in 2019.

On December 17, 2018, INTRALOT Group joined the Global Lottery Monitoring System, as an associate member.

Bond & Treasury 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 (€500million 5,25% Senior Notes due 2024 ISIN XS1685702794). The Notes are traded on the Luxembourg Stock Exchange's Euro MTF market.

On May 16,2018, 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 treasury 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 31.12.2018, Intralot SA proceeded with the repurchase of 9.218.779 treasury shares amounting to €8,59m with an average price of €0,93.

M&A Activity

On January 17, 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.

On July 24, 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. The acquisition was completed in October 2018.

Organizational Changes

On April 25, 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.

On October 19, 2018, INTRALOT announced the departure of Group CFO, Mr. Koliastasis Georgios at the end of the year, while he was succeeded by the until recently Group Finance, Controlling & Budgeting Director Mr. Andreas Chrysos.

On December 13, 2018, INTRALOT announced the appointment of Fernando Ors Villarejo as the new President of Sports Betting of INTRALOT Inc, the INTRALOT Group subsidiary in the USA.

Significant Events after the end of the FY18 - until the date of the Financial Statements release

On January 14, 2019, following the relevant announcement issued on November 19th, 2018, INTRALOT Group, announced that on January 11, 2019, the sale of the shares held by our Company's 45% owned subsidiary İnteltek İnternet Teknoloji Yatırım ve Danışmanlık Ticaret A.Ş. ("INTELTEK") in its 51% owned subsidiary Azerinteltek QSC ("Azerinteltek"), to Baltech Investment LLC was conducted for a total consideration of € 19.530.177. As of 31.12.18 the Group's operations in Azerbaijan are classified as discontinued. The impact of Azerinteltek in the FY18 consolidated results from total operations was €25,0 million, at EBITDA level, and €163,6 million at revenue level.

The INTRALOT's BoD during its meeting of 31.01.2019, announced the appointment of Messrs. Nikolaos E. Nikolakopoulos and Chrysostomos D. Sfatos as members of the Board of Directors, in replacement of Messrs. Konstantinos S. Kokkalis and Petros K. Souretis who stepped down 30.01.2019. The Board appointed Mr. Nikolakopoulos, currently Group Chief Commercial Officer, as Deputy CEO, supervising the Commercial and the Operations Divisions and Mr. Sfatos, to date Group Corporate Affairs Director, as Deputy CEO, supervising the new Strategy and Communication Division and the Human Resources Division.

In early February 2019, LOTTO Hamburg GmbH, one of the German State Lotteries, has awarded INTRALOT Global Operations B.V. (hereinafter INTRALOT), a fully owned subsidiary company of INTRALOT S.A., a contract to replace its current gaming terminals. INTRALOT was selected as the successful technology vendor after a thorough procurement process and a proof of concept assessment, with the agreement to include the delivery of 550 PHOTON gaming terminals.

On March 1, 2019, INTRALOT informed the investor community that our 45% owned subsidiary in Turkey, İnteltek, was notified that the tender of Spor Toto State Organization for the management of Sports Betting was concluded, with the tender being awarded to the other bidder.

On March 1, 2019, INTRALOT announced that the Chairman of its Board, Mr. Sokratis Kokkalis, assumes also the duties of Chief Executive Officer, following the resignation of Mr. Kerastaris as CEO and Executive Member of the Board of Directors. Mr. Kerastaris was replaced in the Board of Directors by Mr. Alexandros-Stergios Manos as non-executive board member.

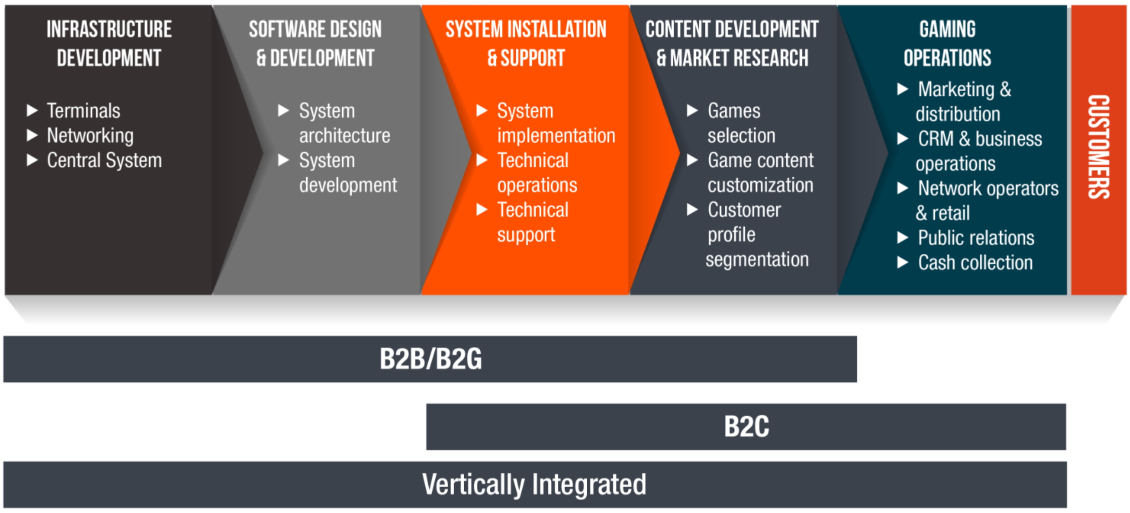
On March 26, 2019, INTRALOT announced an agreement with Merkur Sportwetten GmbH, a subsidiary of the Gauselmann Group from Germany, to take over the renowned sports betting company Totolotek SA – a fully owned INTRALOT subsidiary in Poland. Totolotek contributed, on a continuing operations basis, €-1,2 million at consolidated EBITDA level, as well as €86,5 million at consolidated revenue level for the last twelve months period ended December 31st, 2018.

On March 29, 2019, INTRALOT announced the appointment of Mr. Nicklas Zajdel as Group Chief Digital Officer and Mrs. Maria Stergiou as Group Chief Operations Officer, effective April 15, 2019.

Business Activities

INTRALOT taps the gaming market value chain end to end as one of the few vertically integrated operators that have the capabilities to manage and operate activities across the entire value chain. Our addressable market comprises of a large number of state-owned and private licensed lottery operators.

Value chain of gaming market



The Group, under its contracts and licenses, functions both as a Business to Consumer ("B2C") operator, managing frontline customer facing activities, as well as a Business to Business ("B2B")/Business to Government ("B2G") operator, managing the support stages of the value chain for other "B2C" operators which may be public and or state owned. In practice, INTRALOT under its "B2B/B2G" operator hat provides hardware and software solutions as well as operational support services to "B2C" operators. Spanning end to end the gaming value chain offers INTRALOT a distinctive advantage as it has helped the Group to transfer knowledge and best practices from its "B2C" to "B2B/B2G" operations and vice versa.

Contractual Arrangements

Typically, "B2B/B2G" and "B2C" engagements are carried out under three types of contractual arrangements, namely technology contracts, management contracts and licensed operations.

Technology and Support Services Contracts

Our technology and support activities are primarily comprised of the supply of information technology software, network capabilities and other types of technological support. While we provide the technology, the operations are managed by another person, commonly a state or state-licensed gaming operator. Our contracts in this segment typically include the provision of equipment, software and maintenance and support services to lottery and gaming organizations pursuant to long-term contracts, which provide us with stable and recurring revenues. These contracts also include the design, development and implementation of custom-made software for the particular products and services necessary in each jurisdiction and operation. We currently manage 58 individual technology and support services contracts across 39 jurisdictions through 16 subsidiaries. We are a global market leader in gaming IT and we believe our technological expertise gives us a competitive advantage worldwide.

Under our technology and support services contracts, we typically earn a fee from the licensed operators, which are state or state-licensed gaming organizations. This fee is typically based on either (i) a pre-determined fixed percentage of customer sales (amounts wagered by players) or (ii) a fixed payment over the duration of the contract in respect of multi-year contracts. In addition, we occasionally sell technology equipment and relevant services to other lottery and gaming operators.

Revenues under our technology and support services contracts are not subject to payout costs for player winnings. Our technology and support services contracts represented approximately 23,3% of our revenue and 44,4% of our revenue net of payout in the twelve months ended December 31, 2018.

Management Contracts

Our management contracts activities include primarily the management of all aspects of a gaming organization. In addition to the provision of services included under our technology and support services activity described above, we manage day-to-day operations, marketing services, sales network and risk management/odds setting for sports betting on behalf of the relevant licensed operator. Under these contracts, the customer (who is the license holder of the gaming/lottery operation) typically retains responsibility for certain frontline tasks, as well as the management of retailers, cash management and game approvals in addition to oversight and regulatory control. We currently operate four (4) management contracts in two (2) jurisdictions through three (3) subsidiaries.

We typically earn a fee from the licensed operator under our management contracts based on a fixed percentage of wagers. Revenue under our management contracts are not subject to payout costs for player winnings. Our management contracts represented approximately 10,4% of our revenue and 19,8% of our revenue net of payout in the twelve months ended December 31, 2018.

Licensed Operations

In our licensed operations activities, we are responsible for all aspects of a gaming operation, including the selection and provision of technology and its ongoing support, as well as the management of the operations. In addition, because we are typically the direct license holder, we are also responsible for our relationship with the local regulators. In many cases, our licenses are open-ended since they do not have a fixed term or are automatically renewable as long as the licensed terms are complied with. We currently operate under 21 individual licenses through a combination of wholly- and partially-owned subsidiaries and joint ventures, across nine (9) jurisdictions. We operate through retail locations and online channels.

The revenue we generate from our licensed operations is based on the total amount of money wagered by players on various gaming products before payout for players' winnings. Our licensed operations represented approximately 66,3% of our revenue and 35,8% of our revenue net of payout in the twelve months ended December 31, 2018.

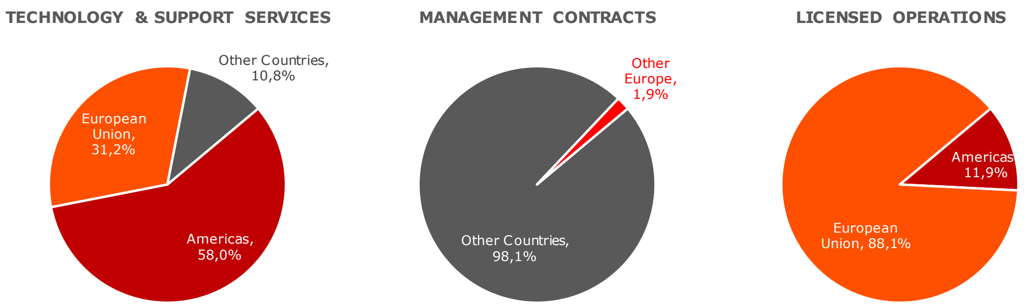
The following table summarizes the principal products and services provided in each of our business activities:

	Technology and Support Services Contracts	**Management Contracts**	**Licensed Operations**
Description	Provision of: • Central gaming system • Lottery terminals • Telecommunications system/solutions • Related peripheral equipment and software • Implementation services and/or • Maintenance and support services • Monitoring systems for VLT operations	Management of all the aspects of a gaming operation: • Provision of technology solutions as described under "Technology and Support Services Contracts" • Day-to-day operations • Marketing services • Sales network development and management and/or • Risk management/odds setting for sports betting games	Ownership of a license to operate games including: • Management of services as described under "Management Contracts" and/or • Provision of technology solutions as described under "Technology and Support Services Contracts"
Holder of License	State or state-licensed operator maintains the license	State or state-licensed operator maintains the license	We or our associates maintain the license, which is acquired from a competent local/state government authority

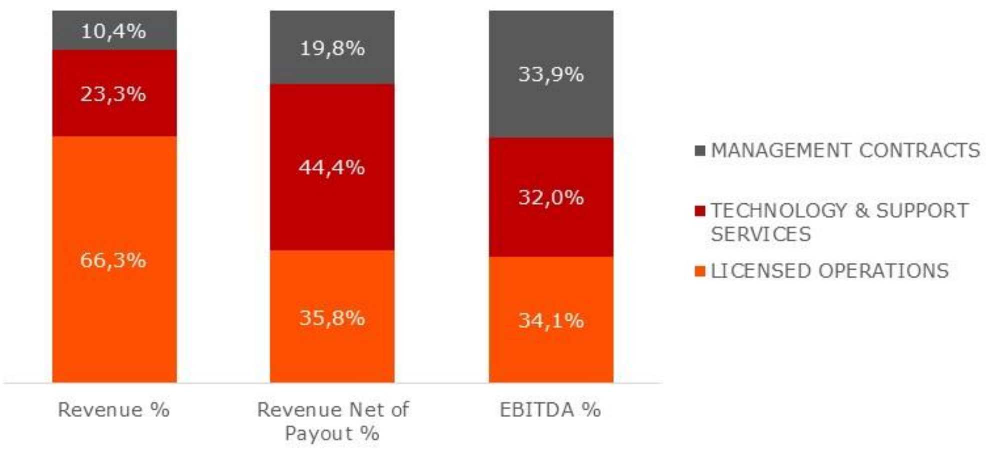
Key Geographies	United States, Greece, Australia, New Zealand and Argentina	Turkey	Argentina, Bulgaria, and Malta
Other Geographies	Croatia, Chile, the Netherlands, Ireland, Germany, Jamaica, Malaysia, Taiwan, Philippines, Peru, Azerbaijan, Bosnia and Herzegovina, and Malta	Morocco	Poland, Cyprus, Greece, Italy, Peru, and Brazil

Our key geographies set forth in the table above represented 86,4% of our EBITDA in the twelve months ended December 31, 2018.

The following group of diagrams sets forth our revenue by business activity and region for the twelve months ended December 31, 2018.



The following view presents our percentage of revenue and EBITDA by business activity and our percentage of revenue net of payout by business activity, respectively, for the twelve months ended December 31, 2018:



Game Categories

Our services are offered across 5 distinct gaming market products, namely:

- ***Lottery Games***, which represented 35,7% of our revenue in the twelve months ended December 31, 2018, include the operation, supply of technology services for numerical and traditional lottery games, instant tickets and fast draw games in around 70.000 POS with over 400 games across 31 jurisdictions on five continents in each of our three business activities.

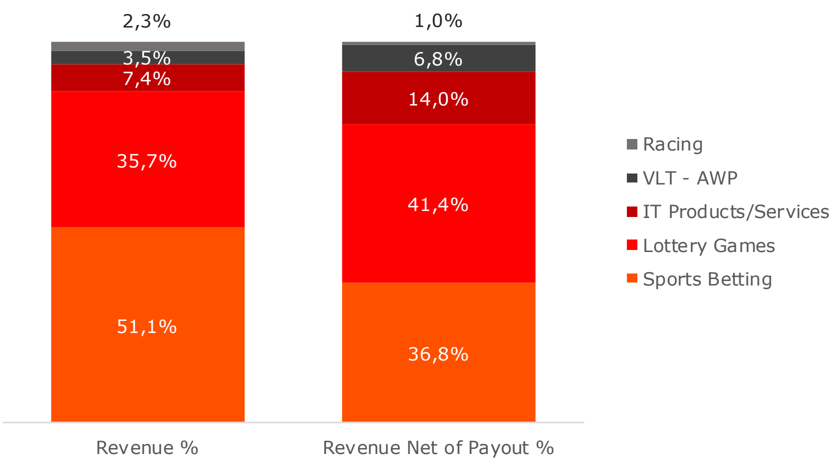
• ***Sports Betting***, which represented 51,1% of our revenue in the twelve months ended December 31, 2018, includes the operation, supply of technology, bookmaking and risk management services for 11 jurisdictions, with a capacity of more than 30.000 pre-game events and 24.000 in play per month and more than 800 market types. We believe we are one of the leading sports betting platform and managed trading services providers in the state-sponsored gaming sector in the world. In the case of licensed operations, we primarily operate through agents who bear the cost of operation, while we manage the sports book.

• ***IT Products and Services***, which represented 7,4% of our revenue in the twelve months ended December 31, 2018, includes technology and operational services to state and state-licensed organizations. These services are done on a fixed payment basis rather than as a percentage of wagers.

• ***Video Lottery Terminals/Amusement with Prizes Machines***, which represented 3,5% of our revenue in the twelve months ended December 31, 2018, include solutions and services for VLT monitoring, gaming venues and server-based gaming. We operate and/or service over 40.000 gaming machines in four (4) jurisdictions.

• ***Racing***, which represented 2,3% of our revenue in the twelve months ended December 31, 2018, includes technology, content and integrated services for pari-mutuel and fixed odds race betting on horse and dog racing events as well as virtual games (football, racing, etc.) with contracts in six (6) jurisdictions.

The following diagram sets forth our revenue and revenue net of payout by type of product for the twelve months ended December 31, 2018.



Our Products and Research & Development

Product Strategy

INTRALOT's product strategy focuses on further enriching and strengthening our products and services portfolio, while placing the player at the center to offer a unique customer experience and to drive further player engagement through personalized and entertaining offerings.

Four pillars of our product strategy have been incorporated in our new products and services portfolio:

- **Customer experience** optimization through dedicated product surveys and usability tests of end-to end customer journeys
- **Modular platform architectures** to enable absorbing client needs with a flexible manner
- **Open** and **scalable** solutions to allow integrations with 3rd party products and services
- **Cost effectiveness** by decreasing development, maintenance and solution deployment costs

Our Product Portfolio

INTRALOT offers a broad range of technological solutions, products and services, in addition to extended know-how and experience in implementing essential solutions supporting lottery, sports betting, VLT/AWPs monitoring system, racing, and interactive games for our customers and operations. In 2018 INTRALOT continued to modernize the platforms ecosystem architecture and enhance its product portfolio by developing and introducing the evolution of its main core gaming platforms, namely Lotos X Lottery Gaming Platform and Orion - its next generation Sports betting platform.

INTRALOT Lottery Solution

New INTRALOT Lottery Solution is the result of many years of collection of our customers' feedback, industry's requirements and internal research and development efforts. Focusing primarily on customer experience and through a future proof modular architecture, INTRALOT Lottery Solution orchestrates a holistic, true omni-channel player experience driving growth in modern lotteries. It is built on an open, future-proof micro-services architecture and with centralized orchestration allows for flexible and fast integrations, safeguarding the optimum content, services and sales channels deployment. New INTRALOT Lottery solution includes a complete draw-based games library which is enriched with numerous 3rd party collaborations with game design houses, allowing easy introduction of new games to all available customer's touchpoints with minimum cost. Within 2018, INTRALOT secured 5 WLA contracts to deploy and introduce the new Lottery Solution and its components.

Lotos X

Lotos X is the heart of the new INTRALOT Lottery Solution and is the most parametrical games and draw management platform in the Lottery industry. It enables lottery operators to design, configure and implement their entire gaming offering as well as their planned portfolio expansion. Lotos X gives the opportunity to lotteries to achieve minimum time to market and an unprecedented simplification of their day-to-day operations. It includes a ready-to-launch preset game templates – capable to configure and further parametrize any numerical draw based, passive and instant games – facilitating the process of creating any new product in detail (prize structure, game mechanics, matrices, etc.). Lotos X gives operators a powerful access to a superset of consoles and tools so as to efficiently manage the entire game and draw lifecycle including the draw management, sales performance real time monitoring, control wager operations, draw closure, seek winners, payments authorization, etc. Moreover, through Lotos X Promotions which includes a wide variety of promotion types and outcomes, operators have the ability to incentivize their players, increase their engagement and minimize the potential churn.

Sports Betting Platform - INTRALOT Orion

Leveraging more than 25 years of worldwide, in-field experience and an industry-leading portfolio of 27[1] sports betting projects and operations in regulated environments, we have developed INTRALOT Orion the most advanced and versatile betting platform to date. Incorporating state-of-the-art technologies and cutting-edge features, INTRALOT Orion supports all sports events, live-horse and greyhound racing, as well as virtual and pre-recorded games for retail, online and mobile sales channels. It serves the entire player journey across channels with a rich set of bet features, including a wide range of promotions and bonuses, personalized pricing, price boost and the most complete cash-out suite. The platform is the single point of control of all the player touchpoints, including desktop, native mobile application and self-service terminals. The ability to optimally combine content and services and adapt them to local market conditions, is one of the platform's strongest points. INTRALOT Orion is designed to simultaneously feed multiple, diverse online and offline customer touchpoints, regardless of geographical location or specific business needs. By parameterizing Sports Betting content and enabling differentiated risk management per sales channel, the operators can now reach their targeted audiences more effectively and manage their margin on a per-channel basis. It is a multi-feed-ready platform, adaptable to each local market. Built as an open system, the platform easily integrates with third-party software, ensuring optimization of resources' management, elimination of cost and creation of a best-of-breed solution, according to each operator's strategy. INTRALOT Orion offers a wide variety of risk-management tools, designed to effectively balance product attractiveness with profitability and to handle the risks inherent in all fixed-odds betting operations. Within 2018, one of our WLA clients has already been updated to the latest version of the platform and it is going live in more clients in 2019.

INTRALOT Pulse Player

INTRALOT Player Pulse is a complete online gaming platform that includes an advanced Player Account Management system and a superior Marketing Suite, covering both online and retail operations, and all products. On top of that, it offers Risk, Fraud and Payment functionalities as well as Game Management. It is based on the award-winning Bit8 platform (Software Rising Star Winner- EGR B2B Awards 2014) and comes pre-integrated with all game verticals, from Betting

[1] ODS contract serves 14 separate states in Germany

and Lottery to Casino and e-Instants, as well as affiliates systems, payment providers, communication systems and more. Player Pulse is already installed in five (5) customers around the world while two (2) new WLA contracts have been secured in 2018.

INTRALOT Pulse Retailer

INTRALOT Retailer Pulse is the next generation Retailer Relationship Management (RRM) system that offers 360-degree control for managing the retailers' operational aspects, increasing their commitment and loyalty as well as optimizing their performance. The platform consists of interconnected configurable features, from retail network management and financials to inventory management and reporting. An unmatched marketing toolbox, that offers out-of-the-box micro-segmentation, incentives and retailer's club schemes, as well as bilateral communication, ensuring increased motivation on the brick & mortar ecosystem. To efficiently align operations under common goals, Retailer Pulse provides contributors of the retail ecosystem with personalized portals to enable optimal information flow and optimal user access while field units, such as sales representatives and field technicians are equipped with native mobile applications. With the tried and true Retailer Management System being installed in 35 jurisdictions around the world, the next generation Retailer Pulse, is already installed in one (1) jurisdiction and is going live in more in 2019.

INTRALOT Canvas™

INTRALOT Canvas™ is an innovative and integrated content management platform for lottery and gaming operators that want to create the optimal playing experience for their audiences. It is an advanced toolbox that allows centralized management and control of content distribution for multiple game verticals across all sales channels. INTRALOT Canvas™ is the quintessential solution for operators seeking maximum autonomy and minimum effort when striving to optimally run their gaming operations. It has been designed to work as a multi tool consisting of advanced content management, marketing and personalization features, all of which can be utilized through its advanced User Interface. As a true omnichannel CMS, Canvas supports intuitive channel navigation and delivers a unique and highly entertaining player experience on any device and across all channels. This includes responsive desktop and mobile-optimized portals, native mobile applications as well as specialized Self-Service and Retailer Terminal portals for all gaming verticals. As of December 2018, INTRALOT Canvas™ has been deployed to twelve customers while 3 new WLA contracts have been secured.

INTRALOT Mobile APP

INTRALOT'S native applications are fully aligned with the latest market trends and advancements. Our extensive knowledge and in-filed research findings led us to develop native mobile lottery, betting and game applications that create a new online and mobile ecosystem of gaming. These applications enrich operator gaming portfolios, strengthen player loyalty and appeal to new younger audiences.

MOBILE APP – LOTTERY

INTRALOT native Mobile Lottery is an innovative, patent-awarded application, featuring an advance and exciting back-end agnostic user interface which enables the operator to offer and monetize the complete lottery experience on mobile devices.

MOBILE APP – BETTING

INTRALOT native Mobile Betting application is powered by a widget-based ecosystem that enables operator to flexible define the offer that best suits its local market. Its modern and intuitive interface promote in-play ad pre-game betting through engaging navigational styles, fresh coupon templates, visualized statistics and scoreboards.

MOBILE APP – GAMES

INTRALOT native Mobile Games application comes with an exciting and engaging user interface which serves as a gaming warehouse that hosts a broad range of easily discoverable game titles that offer real-money and fun-play experiences to players.

As of December 2018, INTRALOT Mobile APP had been deployed to seven customers.

Remote Gaming Server (RGS) & Interactive Instant Win Games

One of our recent product investments is the Remote Gaming Server (RGS) and a complete instant win games portfolio. The RGS is a software system that handles bet transactions from game clients and computes game mechanics based on random number generator values. The platform is designed to provide functional game content integration for server based, VLT/self-service terminals, mobile and online gaming platforms. Our in-house developed interactive Instant Win Games library (HTML5 & Flash) consists of various games types in different mechanics and play styles. Our interactive instant win games are delivered through our RGS and are open to integration with third party providers. As of December 2018, the company maintains a growing library of approximately 250 games, many of which are currently installed in online lotteries or self-service terminals in approximately 10 countries and states worldwide. For 2019, new releases are being scheduled in new jurisdictions while RGS is currently being developed to accomplish an RGS-to-RGS integration that will allow INTRALOT to connect to multiple 3rd parties game provides globally with minimum additional effort.

INTRALOT Horizon

INTRALOT Horizon is an intelligent multimedia content management system optimized for retail network environment in gaming business. The turn key solution comprises of an integrated product mix of software, hardware, and services providing top quality gaming content creation, management, delivery and playout. Horizon View provides Lottery operators and Retailers with the unique combination of Lottery, Betting, Racing, Virtuals, Gaming (“VLT”) and Digital Signage content while providing first-in-class content delivery to thousands of shops, screens, and retail terminals in real-time, with optimal bandwidth usage and sophisticated data broadcasting /

multimedia technologies. In 2017, Horizon solution powered the deployed retail terminals Photon Arm for displaying content on Player Advertisement Display Units (PAD), the new self-service terminals, the vending machines and the new Horizon media player while design of next generation Digital Signage solution planned in the product pipeline completed.

INTRALOT Commercial Retail Solutions

INTRALOT offers a wide range of gaming retail solutions, exclusively designed to serve new player habits and retailer's needs. INTRALOT, product solution for Retailers includes Photon, Proton, Microlot and Genion touch points along with Retailer Canvas S/W tool and Device Management System. INTRALOT self-service solutions and vending machines include Gamebase, GameKiosk, Gamestation, MPNG, Winstation[30] and Dreamtouch family innovative products. With approximately 285.000 lottery retail solutions deployed worldwide, all INTRALOT's Commercial Retail solutions can be sold either as standalone hardware or bundled with the POS application software, Canvas Retailer and Device Management platform. Canvas Retailer is our new advanced POS software solution for lottery and betting operators offering extensive flexibility, extended retail value added services, rapid and secure transaction processing. Within 2018, we have successfully deployed more than 8000 Photon new terminals and more than 3000 new vending machines. Additionally, 5 new contracts signed within 2018 for installation of new Photon, and Genion terminals.

Retail Solutions include:

- *Photon* - a fully functional, high performance camera-based lottery terminal that incorporates a digital camera in a modern and ergonomic unit with large operator display.
- *Proton* - a compact, all in one, camera-based lottery terminal, that offers the benefits of the digital reading technology in a minimum retail footprint.
- *Microlot* - our smallest full function terminal, an all in one device that supports validation and payments for all gaming ticket types, supporting mechanical scanner-based technology.
- *Genion* - a multi-functional solution that can serve as, among other things, a game validation and payment terminal and an online and scratch ticket checker.
- *Retailer Canvas* – our advanced POS software solution designed for Lottery and Betting operators.
- *Device management platform* – a powerful operator tool providing overview and control of all active terminals in the field. Introduces the convenience of centralized device management for multiple retail channels and touch-points.

Self-service terminals:

- *Gamebase* is an integrated tablet desktop solution serving as players' 1st touch point with digital playslip preparation. Featuring a 21,5'' FHD touchscreen, embedded barcode and smart card reader and the option of an external printer, consists of an innovative end-to-end solution in traditional retail stores.

- *GameKiosk* (single or dual screen)— all-in-one SST solution for modern in-store environments with limited space. It features a pair of impressive 21,5-inch full HD screens on a single, elegantly designed stand and a slim profile that occupies far less floor space than competing self-service products, making it easier to install. Moreover, it fully complies with the Americans Disabilities Act.
- *GameStation* is INTRALOT's premium, dual screen self-service solution for lottery and retail gaming operators, designed to meet demanding aesthetic and performance requirements. The GameStation's two 23-inch full HD displays with LED cabinet illumination enhance the gaming experience and improve the performance of existing games. Peripherals include play slip scanners, bar code readers, high speed kiosk thermal printers, audio systems, smart-card readers, bill validators, coin acceptors and credit/debit card payment devices, making the GameStation the only POS terminal in its category to feature the flexibility and scalability that allows players, to access their accounts (temporary / registered / e-wallet) and join the gaming action while fully enjoying an engaging self-service experience.
- Next generation of *TapnBet* self-service solution – TapnBet solution with new innovative impressive industrial design for simplicity and easiness in betting play.
- *MPNG* is our self-service terminal, configured with a second monitor to display advertisements, information, results and programs. MPNG features dual 19" displays, a lower one with touchscreen functionality dedicated to gameplay and a top screen displaying game-related information, live streaming and lottery promotional content. This multi-purpose terminal can further be armed with a play slip scanner, 1D/2D barcode reader, high speed kiosk thermal printer, audio system, smart card reader, bill validator and coin acceptor.
- *DREAMTOUCH* vending machine is our next-generation version of vending machines for purchasing instant tickets and unlimited draw games, playing interactive games, and hosting TAPnBET simplified betting. The main feature and key point of this product family is the large, full-HD, colorful touch-screen display that utilizes an intuitive, user-friendly interface alongside innovative interactivity features, games and services. DREAMTOUCH product family is delivered in three flavors: Dreamtouch Compact, Dreamtouch Smart, Dreamtouch Lite and Dreamtouch Lite X, each serving different gaming purposes.
- *Winstation 30* is the next generation of ITVMs, the only vending machine in the lottery industry able to dispense up to 30 different kinds of scratch tickets with a simple "push of a button". It is designed specifically for the sales of scratch tickets, draw-based games (DBG) and terminal instants.

Services

Our offered services cover the whole spectrum of day-to-day operational activities of lottery organizations and are categorized into the areas set forth below.

Technical Support and Training

We provide a broad range of sophisticated solutions and gaming products that require ongoing support and maintenance. As a result, we provide after-sales technical support to facilitate uninterrupted and efficient gaming operations and minimize sales downtime.

These support services include help desk support for retailers, lottery personnel and players as well as preventive and corrective maintenance of central systems as well as field maintenance of equipment installed at retailer locations. We offer a variety of service level options, which are customized to best serve each of our customers' individual needs and budgets.

We also provide a comprehensive training portfolio which includes detailed operational and technical support, marketing seminars and training modules. These training modules are tailored to each customer and can cover both new and experienced lottery and betting operators.

System Operation Services

Our system operation services include the operation and administration of gaming systems, networks and technology infrastructures to ensure continuous system availability, quality of delivered services, and flexibility in resource utilization. System operation services include typical information and communication technology operations, as well as game draw procedures, retailer management monitoring and accounting as well as information and statistics compilation for games and operations.

Marketing Services

We provide marketing consulting and support to our customers throughout the contract. Our local marketing teams provide consulting support and a full range of marketing services and are supported by our global marketing resource center, which brings global insight and an overall strategic perspective to each contract. Our services include:

- *Market Research and Analysis*: We seek to continuously enrich and deepen our player understanding by analyzing the tens of millions of player-initiated transactions we enable globally. We also stay in touch with our target players' preferences and habits by analyzing consumer response to market research commissioned and conducted in various countries across the world. Using insights discovered through over 30.000 questionnaires, we assist our customers in optimizing gaming performance and effectiveness and addressing opportunities.
- *Game Design and Analysis*: We continually test new gaming concepts (on average 30 per year) in order to maintain the appeal of our games' library across diverse markets. In addition, we tailor each game to satisfy the particular needs of individual clients.
- *Marketing Communication*: We design appropriate marketing strategies based on the communication requirements set by the gaming operators, focusing on the development of tailored communication concepts such as advertising, branding, media buying programs, promotions and merchandising.

- *Sales Network Design and Development*: We offer know-how and experience in the design and implementation of extensive and efficient sales networks.

Sports Betting Risk Management and Footprint

We are one of the world's leading fixed odds betting operators in the traditional, retail-based state sponsored gaming space. We operate sports betting contracts in 27 jurisdictions in 4 continents on a variety of operating models. Our contracts include some of the world's largest betting operations in terms of per capita spending. We provide operational support services for the organization and management of betting games to a variety of state lotteries and licensed operators worldwide, offering a wide variety of sports and pricing models, as well as more than 35.000 pre-game events and 24.000 in-play events per month and more than 800 market types.

Our portfolio is complemented by our Betting Entertainment propositions that include Racing and Virtuals, increasing player's life time value and commitment.

Our services include product customization, program and odds compilation, risk management/trading and training support. Through our risk management services, we assess and seek to limit, in real time, our customers' risk exposures as well as Operator's risk exposure, while maintaining the profitability of the games. For instance, under certain sports betting contracts, we track betting transactions in real time through our trading/risk management team, identify potential payout risk and/or abnormal player behavior and take corrective action, such as adjusting odds and blocking bets and/or events when necessary and also incorporating a sophisticated alerting system based on pattern recognition which allows setting up automated limits.

Interactive Managed Services

We offer interactive managed services to lotteries and state and state-licensed organizations, such as digital marketing, business analytics, media and gaming, as well as technology and operational services. Our offering is strictly dedicated to B2B, B2G and regulated B2C markets, using the "dotcountry" or "dotstate" model as opposed to the "dotcom" model. We offer a broad portfolio of our own games and content that can be deployed. In addition, games from third parties can also be seamlessly integrated into our Player Pulse platform. Our partner community program allows for the content to be instantly available and fully embedded in our solutions.

Our customers benefit from our multiple partnership models that are designed to advance their gaming operations. Our interactive services include customer acquisition and retention by helping gaming organizations to approach target groups through cross-channel marketing, search engine marketing, social media, mobile marketing and affiliated management.

Supply Chain Management

We design and offer warehousing, logistics and distribution services with the aim of optimizing supply chains, improving retailer satisfaction, reducing distribution costs and ensuring uninterrupted availability of stock. We have the necessary know-how and resources required to enhance productivity, efficiency and security throughout the entire supply chain management function of our gaming contracts and operations.

Media Broadcasting Portfolio of Services

In addition to the multimedia content that is displayed within the POS through LOTOS Horizon we offer a comprehensive media broadcasting portfolio of services and know-how in order to further enhance our customers' means of reaching audiences. The portfolio includes animated information and targeted messaging, the creation of a 24-hour television channel (lottery-dedicated media channel) and virtual studio draws, such as animated draws for broadcast.

Knowledge Transfer

Over the years, INTRALOT through its exposure in the licensed operations business has gained significant expertise and know-how. Its global presence has served to create pockets of expertise that are selectively seeded throughout our operations, either "B2C" or "B2B/B2G" operations, as well as incorporated during product design. Our Azerbaijan operation is one recent such example, where best practices from our Betting operations in Italy were transferred and applied successfully.

Besides operational excellence, product design and implementation services are revisited after each new project, as to transfer know-how to all future installations and product development efforts targeting to minimize effort. A characteristic example is our contract in Chile, where the breadth and depth of our new developed portfolio has been implemented. The Chilean contract is considered a milestone for INTRALOT, as it has served to strengthen our product portfolio and enhance many of our leading technology and pioneering gaming services.

GDPR compliance

INTRALOT has established personal data protection as a strategic priority towards ensuring player, customer, employee, partner and shareholder trust.

INTRALOT's data protection framework has been updated in 2018 to address the requirements of the EU General Data Protection Regulation (GDPR). The framework combines organizational, procedural and technical controls for serving the rights of data subjects in a multidimensional manner, taking into account internal and external stakeholders. In order to achieve that, INTRALOT has combined Privacy Good Practices, it's updated Enterprise Risk Management Framework for managing related risk and for conducting Data Privacy Impact Assessments, as well as its Cyber and Information security frameworks. The later focus on the identification of security needs, data protection as well as incident detection, response and recovery, customized to the requirements of GDPR. Privacy by design has traditionally been a core element of INTRALOT products and services, while the data subject remains at the epicenter, being served with transparency and respect.

Research & Development

INTRALOT invests continuously in Research and Development of innovative solutions, based on novel product design and development as well as, on existing products evolution. We are constantly pushing the boundaries in search of increased quality, performance and flexibility while decreasing development, maintenance and deployment costs. In order to achieve a significant technological leap, we are transforming three areas in parallel, our people, our processes and the R&D tools.

INTRALOT Group for the 12th consecutive year was ranked amongst the top 1.000 European organizations of the "2018 EU Industrial Research & Development Investment Scoreboard" prepared and published by the European Commission. Committed to a strategy with constant focus on Innovation, INTRALOT is the 778th most significant R&D investor in Europe. The R&D Scoreboard measured the total value of INTRALOT's global R&D investment financed with its own funds, irrespectively of the location where the relevant R&D took place. As a result, INTRALOT's customers constantly leverage the benefits of leading-edge technology. One of the main principles of our corporate philosophy and one that contributes to our leading position in the industry, revolves around our passion and emphasis in designing and developing customer centric solutions.

Further than the obvious central system needs of operators, INTRALOT's Research and Development focuses to enhance further the general platform integration capabilities, allowing us to partner with lotteries / operators that want to use our solutions as the center of a dynamic and flexible overall solution architecture. This will allow them to select as required, various prominent and industry-leading third-party solutions and services in order to complement the selected platform functionalities. INTRALOT's Research and Development teams designed a loosely coupled architecture with independent roadmaps under one roof of concerted business goals. In addition, the successful merging of on-line and retail world opened to our customers a new window of opportunities such as:

- Ability to continuously build upon and extend their offering through fast integrations with several 3rd parties (multi-vendor strategy)
- Ability to provide a seamless true Omni-channel experience

With our investments in Research and Development, we believe that we are at the forefront of gaming product development. Some of our recent achievement include:

- Vast improvement of our solutions through the creation of a pre-integrated cloud-based eco-system of 3rd party games applications & services.

- Ability to absorb individual client change requests faster, through a more flexible system and at a much lower cost.
- Adoption of a flexible development approach which allows for out-sourcing of small development or testing tasks to lower-cost partners.
- Adoption of modern technologies and open-source platform components, allowing us also to be able to benefit more in the future by technological advances driven by the leading internet and cloud companies which are now more and more the significant technology innovators.
- Adoption of agile methodologies and an agile culture.
- Design and implementation of software components to be used as building blocks for a variety of products and solutions of the company.
- Adoption of not only a microservices technological architecture, but also a microservices-inspired approach to product management and product evolution, allowing our customers to build certain applications or services themselves – or extend existing ones provided by their core vendor.
- Full support of any of the following deployments: local data center deployment (traditional WLA style), private cloud deployment, hybrid private/public cloud deployment – depending on customer requirements and business model.
- True hardware independence through the use of modern containerized technologies that achieve true independence of containerized applications from any target hardware platform, thus allowing for dynamic distributed deployments.

In addition, INTRALOT's Research and Development recently expanded to lead the way in new concepts for error self-detection mechanisms as well as, error early-warning reporting systems in an attempt to introduce for the first time, a very extensive ecosystem of functions and peripheral applications packaged in several distinct and independent product propositions. Apart from in-house Research and Development, INTRALOT is cooperating with leading educational institutions and Technology Vendors and has established Development Centers in several parts of the word (US, Greece, Bulgaria, Malta). Inside this collaboration framework several research projects have been conducted, in areas including Face Detection and Tracking as source of Marketing Analytics, Automated Content Authoring, Responsible Gaming and Collaborative Game development, among others. As a leading partner in the Corallia Gaming Cluster, we raised our efforts on the development of a dynamic, technology-oriented Gaming Innovation Cluster, based in Greece, and the introduction of a cooperation framework with the highly-skilled human capital of the sector. We actively support innovation and collaboration with dynamic new entities and highly skilled engineering capital and look forward to introducing more innovative technological solutions, pioneering gaming content and new gaming technologies.

As of December 2018, Intralot holds 251 granted patents, while there are 57 additional patent applications pending in various acceptance stages. Our most recent patents include methods and systems in relation to interpretation (through an algorithm that captures an image from a camera) of at least one user mark on a lottery play slip, detection of fraud in betting and lottery games, dispensing of instant lottery tickets, conducting lottery games with portable devices, ticket security protocols, conducting a multi-stage game of chance, as well as design of new games and terminals.

INTRALOT through its dedicated Innovation Lab (i-Lab) and Hackathon sessions provides all the necessary tools for enabling innovation, from ideation to exploration, research, development and exploitation, creating an environment in which innovative ideas can be conceived, validated and turned into state-of-the-art solutions.

BUSINESS REVIEW

Industry Overview & Market Drivers

Global gaming market

Overview

The gaming industry comprises lottery games, casinos, sports betting, bingo, horse racing, gaming machines and online gaming. According to H2GC, revenue net of payout ("GGR"), which constitutes gross turnover in respect of gaming activities less the amount paid out to players as winnings, is projected to have grown to €391,3 billion in 2018 from €230,2 billion in 2003, representing a CAGR of 3,6%.

The global gaming market increased by 4,5% in 2018, primarily driven by strong GGR YoY growth in Asia/ME (7,5%) and Africa (5,3%). More specifically, for Asia/ME the growth highlights (versus last year) are Philippines (+21,0%), China (+19,6%) and Macau (+13,6%), while Japan continues to slow down at a negative rate of -1,8% putting pressure on the region's largest market (approx. 28,0% of the region's GGR as per 2018P). In Africa, Nigeria presents a strong YoY growth with +11,9% (based on 2018P figures).

On the other hand, Europe, Latin America (incl. the Caribbean) North America and Oceania - which represent 61,4% of the Global GGR (based on 2018P figures) demonstrated mediocre growth versus 2017 with +1,5%, +3,5%, +4,0%, +1,4% respectively. However, there were some key exceptions, such as Poland with significant YoY growth at +18,2% and Colombia with +12,5%.

Each gaming jurisdiction is at a different stage of the development cycle and is therefore subject to its own distinct dynamics. The main drivers of the development cycle include introduction of stable and clear regulatory regimes, product innovation, liberalization and privatization.

Driven by country and state budget deficits and increased demand for social welfare spending, post financial crisis regulatory initiatives have fuelled growth in the global gaming market. To meet spending demands regulators have liberalized gaming markets, mainly in internet and mobile, privatized state-owned lotteries and cracked down on illegal gaming.

Introduction of stable and clear regulatory regimes

Stable and clear regulatory regimes have proved favorable for operators and provide players with additional security. Regulation within such frameworks evolves in the direction of improving the perception of gaming as a pastime, considering the interest of all stakeholders, including governments' focus on higher revenue, wider private operators' involvement and consumers' interest in entertainment and chance to win. Recent examples include UK and Malta. In Malta, the parliament approves new Gaming Act which will help to improve efforts to combat money laundering and the financing of terrorism. In UK, the UK Advertising Standards Authority (ASA) has released new standards to better protect children and young people from gambling advertising.

Product innovation

Digitalization is clearly shaping the future of gaming industry. Operators are called upon to develop platforms that enable smooth and seamless customer experiences offering similar excitement and total effect in the physical and the digital worlds. Product development focus on the customer experience, either digital or physical, aiming at supporting operators worldwide in their dual role. Lotteries aim to deliver to players rich experiences without neglecting the cornerstone requirements of integrity & security, fiscal accountability. According to H2's Global Summary, Gambling's industry worth (GGY) is expected to exceed €422 billion by 2023, while online gambling industry worth is expected to be close to €40 billion by 2023. As figures indicate, Mobile sales increase the last 6 years on average CAGR +14,3%, revealing the huge growth of online gaming.

Technological advancements are highly affecting consumers behavior and reshaping the lottery industry. Emerging trends in the exchange of value and information like Blockchain are expected to resolve issues on security and transparency. At the same time, the expansion of IoT devices increase the number of data collection points, from which lottery operators can compile information on user experience, emerging trends, player preferences and habits. Big data and data analytics will significantly help lotteries in evaluating customer habits and trends as well as understand their performance at multiple levels. Further to the vast amount of data available in our times, Artificial Intelligence comes to offer enhanced and personalized experiences for customers and to establish a seamless communication through chatbots technologies. Also, mobile technology including devices like smartphones and tablets can deliver fast and straightforward experiences to gamers on the go. Another technological trend like Virtual reality coupled with the exponential growth of the Esports industry, promises new to the new generation of gamblers a more interactive and enjoyable experience, in which they can get a unique gaming experience and even share with their friends.

Self-Serving terminals are also unique turnkey and innovative solutions for boosting lottery and retailer revenues, revolutionary terminals that can be installed in numerous locations, enabling operators to attract new audiences, provide new gaming experiences and enjoy player satisfaction and therefore growth. Trends like face & voice recognition, social networks integration, proximity marketing capabilities, cashless/single wallet options and smart chatbots which are programmed to respond to frequently asked questions, are only some of the innovations that self-service terminal will be able to capture in the upcoming years.

Liberalization

Liberalization is often reflected in the legalization and opening of a new market, such as the online gaming market, as recently illustrated by the governments of Denmark and Germany. This ushers legal operators and consumers into a regulated environment. In May 2018, a ruling of the U.S Supreme Court overturned the Professional and Amateur Sports Protection Act (PASPA), a 1992 federal law that previously restricted legal sports wagering to Nevada and a handful of other states with less robust betting offerings. In the post-PASPA era, each state can now determine for itself whether and how to regulate sports betting within its borders. As of February 2019, sports betting in USA is regulated in nine states with enabling laws passed in two further states.

Privatization

There is an increasing trend for governments to outsource the operation or management of their lotteries, which represents a significant opportunity for private operators. Recent examples include the New South Wales, Australia, Government's decision to award the concession to operate Lottery games to a private operator, the Irish Government's recent award of a concession to operate the Irish National Lottery, the Greek Government's award of a 12-year concession to operate and manage instant and draw tickets in the country. In January 2017, the Turkish Government announced that it was transferring its licensing powers to Milli Piyango national lottery from the National Lottery Administration to the Sovereign Wealth Fund for the next 49 years (Gambling Compliance: Turkey Country report). In 2012, the Maltese Government awarding a 10-year license to Maltco Lotteries Limited to maintain a monopoly over the National Lottery of Malta. Brazilian Government's ongoing process to privatize LOTEX. However, the government received no bids during the tender held in July 2018 and the new tender has continued to be delayed, with bids now due on April 22. The winning bidder will be required to pay an upfront fee of around US$160m, due in four installments. (Gambling Compliance: Brazil Country report). A program for privatization of Francaise des Jeux (FDJ) was officially announced in June 2018 while the process of privatization is not expected to begin before Spring 2019 (Gambling Compliance: France Country report).

Gaming market trends by region

The global gaming market GGR was estimated to have grown at 3,6% per year (CAGR) between 2003 and 2018, supported by growth in emerging markets (Latin America and Africa are estimated to have grown with CAGR of 6,2% and 7,5% per year, respectively) and change in regulations and product innovation in mature economies (Oceania and Europe are estimated to have grown at 3,1% and 3,5% per year, respectively).

Total Global GGR (€bn)	**'13**	**'14**	**'15**	**'16**	**'17**	**'18P**	**'19E**	**'20E**	**'21E**	**'22E**	**'23E**	***CAGR 18-23***
Africa	2,8	3,0	3,2	3,4	3,6	3,8	3,9	4,0	4,1	4,2	4,2	*2,3%*

Asia / ME	142,2	145,3	130,1	128,5	137,1	147,4	151,1	155,8	155,9	160,6	163,4	*2,1%*
Europe	87,6	89,2	93,3	98,4	100,7	102,2	101,7	102,5	104,0	106,1	108,1	*1,1%*
Lat Am & the Caribbean	6,4	7,1	7,6	8,1	8,6	8,9	9,3	9,8	10,1	10,4	10,7	*3,8%*
N America	98,5	99,1	101,4	106,0	107,6	112,0	116,2	119,5	122,5	124,9	127,0	*2,5%*
Oceania	14,9	15,2	16,3	17,2	16,9	17,1	17,5	17,7	18,0	18,2	18,5	*1,6%*
Global Total	**352,3**	**358,9**	**351,9**	**361,6**	**374,5**	**391,3**	**399,7**	**409,3**	**414,6**	**424,4**	**431,9**	***2,0%***

Source: H2 Gambling Capital, Global Summary Feb '19. Data for Fiscal Years 2018-2023 are estimated by H2GC.

Asia and the Middle East together are estimated to be the largest gaming market by GGR and are estimated to have accounted for 37,7% of GGR in 2018 (€102,2 billion). According to H2GC, the market is forecast to grow at a relatively lower rate (GAGR 18-23 at 2,3%).

In 2018, Europe was projected to have accounted for 26,1% of the global gaming market (€102,2 billion). Going forward, H2GC forecasts the European gaming market to continue to grow at below historical levels despite a challenging economic environment.

North America was projected to be the second largest gaming market by GGR with 28,6% contribution in 2018 (€112 billion), 56,4% of which was attributable to casinos. H2GC forecasts the market to grow at slightly below historical levels as a result of same-store sales growth initiatives (e.g. Powerball), the ongoing outsourcing of lottery management and the introduction of a regulatory framework for online gaming.

Latin America (incl. the Caribbean) and Africa were projected to have contributed to 2,3% and 1,0% of the global gaming market GGR in 2018 (€8,9 billion and €3,8 billion, respectively). Both regions are expected to grow at a lower rate in comparison to historical levels.

Gaming market trends by product

Our addressable market includes lottery games, sports betting, horse racing, gaming machines, interactive gaming and other activities, such as bingo. Casinos (incl. Native American gaming) are excluded.

Total Global GGR (€bn)	**'13**	**'14**	**'15**	**'16**	**'17**	**'18P**	**'19E**	**'20E**	**'21E**	**'22E**	**'23E**	***CAGR 18-23***
Betting	42,2	45,8	47,3	50,7	53,8	60,8	63,0	68,1	71,0	75,6	77,7	*5,0%*
Casino	125,8	126,5	116,2	118,4	127,3	134,9	139,3	142,4	145,4	147,9	150,5	*2,2%*
Gaming Machines	83,6	83,1	83,9	83,0	82,8	81,5	80,4	80,1	77,4	77,8	78,6	*-0,7%*
Bingo/Other Gaming	8,0	8,1	8,5	9,2	9,5	9,8	10,2	10,5	10,8	11,1	11,4	*3,0%*
Lotteries	92,5	95,4	96,0	100,4	101,1	104,4	106,8	108,1	110,0	111,9	113,7	*1,7%*
Global Total	**352,3**	**358,9**	**351,9**	**361,6**	**374,5**	**391,3**	**399,7**	**409,3**	**414,6**	**424,4**	**431,9**	***2,0%***

Source: H2 Gambling Capital, Global Summary Feb '19. Data for Fiscal Years 2018-2023 are estimated by H2GC.

Lottery games represent the most traditional segment and have historically attracted the largest number of players. The segment was projected to have contributed to 26,7% of the total gaming market in 2018 (€104,4 billion). Overall, growth in the segment has been supported by a shift towards operations outsourcing and privatization. This segment, according to H2GC, is forecast to grow at 1,7% in the following 5 years, well below historical levels, with Asia & Middle East acting as the primary driver of expansion.

In Europe, Poland's Totalizator Sportowy was a region's strong performer in the first quarter of 2018. The launch of Eurojackpot at the tail end of 2017, the accept of non-cash payments and the increased sales in Keno and scratch cards were the impacts of growth. Growth in the Latin America region was almost wholly attributable to the strong performance of Brazil's Caixa Economica Federal for Q1 2018. The good performance of lotteries in North America in the first quarter of 2018 was built on the back of results from Canada's Ontario Lottery and Gaming Corporation and America's California State Lottery. In Africa, South's Africa Ithuba was a strong performer for Q1 2018 with increase in sales due to large jackpots for Lotto and Powerball (WLA blog-insight).

The gaming machines market was projected to have accounted for 20,8% of the global gaming market in 2018 (€81,5 billion) and is forecast to grow at below historical levels.

Betting was projected to have accounted for 15,5% of the global gaming market in 2018 (€60,8 billion) with Asia/ME and Europe the two major contributors. This segment, according to H2GC is forecast to grow at 5,0% in the following 5 years. In Asia/ME, China enjoyed an outstanding YoY GGR growth in Sports Betting with +77,0% in 2018 (H2 China data). In markets like the U.K., where the bulk of activity revolves around betting, activity tends to decline during recessionary periods but recovers quickly as consumer sentiment grows. As a response, operators are increasing the density of the network and improving their product offering. In relation to horse racing, in markets where activity levels are in decline, operators tend to increase attendance by increasing the number of races per track and cross-selling (i.e. racinos).

Interactive market trends

Interactive gambling, via desktop, mobile and iTV, has reached a penetration of approximately 11,3% of the total Global GGR (€44,4 billion) and is forecast to reach 14,2% by 2023 (€61,5 billion). Betting is the strongest product as per the total interactive GGR and accounts for 50,5% (€22,4 billion); followed by casinos (26,6%), state lotteries (9,2%), poker (5,3%), skill/other game (4,6%), and bingo (3,9%). Lottery is the product with the highest potential for growth with 15,1% CAGR 18P-23E.

Interactive Global GGR (€bn)	**'13**	**'14**	**'15**	**'16**	**'17**	**'18P**	**'19E**	**'20E**	**'21E**	**'22E**	**'23E**	***CAGR 18-23***
Betting	13,4	15,0	16,5	18,4	20,4	22,4	23,8	25,7	27,2	29,3	30,8	*6,5%*
Casino	6,8	7,9	8,7	9,6	10,7	11,8	12,5	13,3	14,0	14,6	15,2	*5,2%*
Poker	2,3	2,3	2,3	2,3	2,3	2,4	2,4	2,5	2,5	2,5	2,5	*1,3%*
Bingo	1,2	1,3	1,4	1,6	1,7	1,7	1,8	1,9	1,9	2,0	2,1	*3,7%*
Skill/Other Gaming/Lotteries Resales	1,4	1,6	1,7	1,8	1,9	2,0	2,2	2,3	2,4	2,6	2,7	*5,6%*
State Lotteries	1,9	2,2	2,6	2,9	3,3	4,1	5,2	5,9	6,7	7,4	8,2	*15,1%*
Global Total	**26,9**	**30,2**	**33,2**	**36,6**	**40,3**	**44,4**	**47,9**	**51,5**	**54,7**	**58,4**	**61,5**	***6,7%***

Source: H2 Gambling Capital, Global Summary Feb '19. Data for Fiscal Years 2018-2023 are estimated by H2GC.

The projection for 2018 shows that Europe holds the leading position of the global interactive GGR with share of 53,2% and a forecasted 'interactive GGR over total GGR' ratio of 29,5% versus an expected global average of 14,2% in 2023. Along with Europe, Latin America (incl. the

Caribbean), Africa and Asia/Middle East are expected to set a swift pace of expansion for the interactive channel. North America has the potential to drive the interactive market due to expectations that various legal changes will take place in the current legal framework.

Interactive Global GGR (€bn)	**'13**	**'14**	**'15**	**'16**	**'17**	**'18P**	**'19E**	**'20E**	**'21E**	**'22E**	**'23E**	***CAGR 18-23***
Africa	0,2	0,2	0,3	0,3	0,3	0,4	0,4	0,4	0,5	0,5	0,5	*6,1%*
Asia / ME	8,0	8,8	9,5	10,3	11,1	12,1	12,9	13,7	14,4	15,2	15,9	*5,6%*
Europe	12,8	14,9	16,7	18,7	21,2	23,6	25,1	26,9	28,4	30,3	31,8	*6,2%*
Lat Am & the Caribbean	0,3	0,4	0,4	0,5	0,5	0,6	0,8	1,0	1,1	1,2	1,3	*16,6%*
N America	4,0	4,3	4,3	4,5	4,7	5,3	6,3	6,9	7,6	8,4	8,9	*10,9%*
Oceania	1,5	1,7	2,0	2,4	2,4	2,4	2,5	2,6	2,7	2,9	3,0	*4,4%*
Global Total	**26,9**	**30,2**	**33,2**	**36,6**	**40,3**	**44,4**	**47,9**	**51,5**	**54,7**	**58,4**	**61,5**	***6,7%***

Source: H2 Gambling Capital, Global Summary Feb '19. Data for Fiscal Years 2018-2023 are estimated by H2GC.

Undoubtedly, the global interactive gaming GGR has been boosted by the high penetration of smartphones, whereas it is projected that, in 2018, mobile will present a participation of 41,3% with an expected CAGR 18P-2023E at 12,1%. Betting is the most popular vertical for the mobile gambling segment and generates most (66,5% or €12,2 billion) of the relative global GGR as per the 2018 projection.

Competition

Competition in the gaming market is increasing due to the proliferation of destination gaming venues and the augmenting popularity of online gaming. Competition for lottery contracts is also rising.

The two international players that operate across B2B/B2G and B2C segments and compete with us for all types of contracts are International Game Technology ("IGT"), and Scientific Games Corporation ("Scientific Games"). In addition to these international competitors, in jurisdictions where we have B2C operations, we face competition from numerous local companies, particularly for licensed operations.

Competition in the B2C segment is a function of the regulation in each jurisdiction. For example, an operator owning an exclusive concession does not face competition from similar gaming offerings, while in open markets B2C players face competition from the other local operators.

Competition for sports betting contracts has intensified significantly over the past year. In May 2018 the U.S. Supreme Court ruled to overturn the 1992 Professional and Amateur Sports Protection (PASPA) federal ban on sports betting and allow for legal sports wagering throughout the United States. US clearly has the potential to become the world's largest regulated sports betting market and, according to the consensus estimate in terms of the market size projections, we are looking at a potential market spanning at least 25 states and worth $3,1bn – $5,2bn in annual gross gaming revenue by 2023; on a fully regulated "all-50 States, all facilities, all channels" scenario we are looking at a potential of ~$13,5bn in annual gross gaming revenue. Elsewhere, in November 2018, Brazil approved legislation for sports betting, since a Provisional

Measure 846/2018 was turned into Law 13.756/2018 by the Brazilian Congress. Efforts are being made by the Brazilian Ministry of Economy to define the most viable competition model both for the physical and the online fixed-odds sports betting within the first half of 2019 and this market is expected to be bigger than New York ($1,5bn) in terms of annual gross gaming revenue. Another potential "beat" region for sports betting is the far east with Japan, South Korea and Vietnam, with big populations, huge sports communities and fanatic sport fans, leading the way.

The main international players that compete with Intralot in the sports betting arena are International Game Technology ("IGT"), Openbet, SBTech, Playtech and Kambi. In addition to these international competitors, in jurisdictions where we have B2C operations, we face competition from local companies, particularly for licensed operations.

Our Strategies

Maintain leadership in technology innovation and streamline technology development

The most important element of our sustainable growth strategy is to maintain our industry leadership in technology and innovation. This core strategy of INTRALOT emanates from the fact that lottery and gaming is a technology and supply driven industry and thus technology innovation drives growth.

In this sense, we strive to develop leading technology solutions for lottery, sports betting, interactive and gaming machine monitoring through continuously investing in R&D activities that foster innovation and early adoption of industry shaping trends.

Our R&D efforts include partnerships and collaborative initiatives both in Greece and abroad. In 2017, we concluded the establishment of our competence centers in Malta and Greece and along with our development centers in USA and Bulgaria will serve as global innovation hubs, which is the culmination of our efforts to create value through fostering innovation.

As of December 31, 2018, we held approximately 251 patents in gaming technology while having a pipeline of 57 additional patents at various stages of approval. See "Our Products and Research & Development — Research & Development".

Our R&D efforts have led to the development of the next-generation of our core gaming platforms, specifically the Lotos X platform ecosystem, the Pulse interactive lottery platform and the INTRALOT Orion, our new omni-channel sports betting platform.

Our Lotos X has been designed to become our universal platform ecosystem to help us more efficiently tailor and continuously enhance the delivery of our products and services. You may review more on the chapter "Our Products and R&D \ Our Product Portfolio \ Lotos X Gaming Platform Ecosystem". Lotos X gaming platform is a characteristic example of our innovative approach to expanding our footprint through the adoption and implementation of recently developed technologies. Its service-oriented philosophy and modular architecture, in addition to its distinctive 3rd party integration and interoperability capacity, allows us to provide our lottery and gaming customers with optimally tailored solutions coupled with external components that are relevant and add value for the specific market. Additionally, its native support for online, mobile and retail channels ensures greater revenue generation potential and wider business opportunities for INTRALOT. Moreover, the underlying technologies adopted provide for flexibility in solution deployment models, operating margin expansion and moderating capital needs for new system installations.

We are also continually committed to maintaining our technological leadership and growing our best-in-class product offerings. In early 2017, we developed and launched our Pulse family of products, a player- and retailer-centric suite of solutions designed to effectively manage interactive gaming operations, increase frontline performance and reduce operating overheads. Pulse incorporates customer relationship management (CRM) tools to drive player tracking, management and engagement while offering robust retailer management functionality that can drive incremental same-store sales. In 2018, we launched Orion, our new omni-channel sports betting platform, which has been jointly developed in partnership with Amelco, a leading online sportsbook vendor. This unique in the industry sportsbook solution combines the strong qualities and retail functionalities built over the years by INTRALOT with the innovative online betting functionalities of Amelco's platform, which is already used by a range of top-tier online operators. This new true omni-channel sports betting solution will offer us the opportunity to expand our sports betting offering in the interactive space while providing a strong competitive advantage to win new contracts in the fast-growing sports betting landscape. You may review more on the chapter "Our Products and R&D \ Our Product Portfolio \ Sports Betting Platform – INTRALOT Orion".

In addition, and as part of our overarching "asset-light" strategy, we are streamlining our technology development and delivery model though efficiency-enhancing measures that promote agility and performance. This model is intended to produce higher operating margins while moderating capital expenditures and in turn to enhance our cash flow resilience.

Expand footprint through strong local partnerships

The second pillar of our asset-light strategy is focused on establishing local partnerships in certain target markets with strong and healthy local partners that can instill our operations with added value. Historically, when we entered into new markets (such as Italy and Peru), we funded our expansion, deployed our products, and provided operational services utilizing our own resources. During the recent years, we have shifted our go-to-market approach with a focus in pursuing the establishment of new local partnerships. We believe such partnerships provide the best means to grow and operate more efficiently in certain local markets as we can benefit from our local partners' relationships and their knowledge and understanding of the regulatory environment and local market dynamics. This approach also provides for sharing financial and operational risks, reducing capital expenditures and improving access to local funding. Herein under is a list of our local partnerships, the results of which are fully consolidated in our financial statements, where their EBITDA contribution for the twelve months ended December 31, 2018 is presented:

Local Partnerships

Country	**INTRALOT effective stake**	**Contract type**	**EBITDA contribution in the twelve months ended December 31, 2018**[1]
Turkey (Inteltek)	45,00%	Management contract	15%
Turkey (Bilyoner)	50,01%	Management contract	11%
Bulgaria (Eurofootball Group)	49,00% + option for additional 2,00%	Licensed operation	18%
Bulgaria (Eurobet Group)	49,00% + option for additional 2,00%	Licensed operation	5%
Argentina	50,01%	12 facilities management (IT) contracts with state lottery operators and one licensed operation	10%
Total			**59%**

1 *For purposes of this table, EBITDA contribution is calculated as a percentage of the total INTRALOT Group EBITDA, including countries with a negative EBITDA*

We derive further benefits from dividend streams from our local partners, particularly from local partnerships whose results are not fully consolidated in our financial statements (such as our Italian operations, the operations of Intralot de Peru, and Hellenic Lotteries), as well as cost and operational synergies. In line with our asset-light strategy, we intend to further pursue local partnerships with respect to existing businesses as well as new ventures. We are deliberate and strategic in our selection of local partners, and apply criteria in selecting such partners that include being well-capitalized, having an established presence in their respective domains and substantial experience in the local market, and having the ability to provide a wide distribution for our lottery and gaming offering. Often these partners are experienced retail operators, financial sponsors, or large utilities. For example, in Italy we entered into a partnership with Gamenet, creating one of the largest local gaming companies.

***Value creation driven by increased* cash flow generation*, margin expansion and improving longer-term revenue* visibility**

It is our strategy to improve our cash flow generation capability by creating synergies and efficiencies both internally and realized through strategic partnerships and with the effective management of our long-term contracts. We expect that operating through local partnerships with well-established and experienced partners will help us realize broad operational and financial synergies at both the local and headquarter levels. Furthermore, by partnering with well-established and capitalized local partners we will be able to minimize future capital deployment needs without hindering our ability to expand the scope of our existing contracts and to compete for and win new contracts.

We also expect to improve our cash flow trajectory through the strategic and proactive management of our long-term contracts. We selectively seek to maintain and enter into long-term contracts that match our stringent profitability and cash generation targets. These contracts are often for higher margin business activities such as providing expanded facilities management or managed services.

We continuously evaluate the profitability of our existing contracts and have selectively disengaged less profitable contracts; most recent examples include Poland, Kenya, and Nigeria. We also aim to enhance revenue visibility and expected cash flow by entering into long-term contracts or renewable licenses to provide recurring revenue stream stability.

For the year ended December 31, 2018, we estimate that approximately 66% (excluding extension options; and 63% excluding Totolotek) of the revenues for the period were generated through multi-year contracts or renewable licenses that are available to us until 2023 (although actual revenues that may be generated in the future from those contracts may increase or decrease). If we take into consideration the extension options of our contracts, revenue visibility increases to approximately 71% (until 2023; 67% excluding Totolotek).

Disciplined capital allocation aimed to de-lever and optimize our capital structure

Our strategy is to steadily de-lever our business, through additional cash flow generated by expected operational and financial synergies and efficiencies as well as the expected positive cash flow impact from our shift to an "asset-light" model. By expanding into new markets through local partnerships, we expect to reduce our capital expenditures, increase our operational margins and to obtain access to local financing with more favorable terms. In addition, following the increased 2018 CAPEX requirements as part of our market refocus, we seek to maintain a modest financial and growth investment policy focused on strong liquidity and thus we do not intend to undertake any material acquisitions in the medium-term or to pay dividends to our shareholders until significant deleverage is achieved. In addition, we intend to have a disciplined capital expenditure policy with regards to undertaking projects that meet our investment-returns criteria. Maintenance capital expenditure for the years ended December 31, 2016, and 2017, and for the twelve months ended December 31, 2018 were €26,8 million, €21,8 million, and €20,1 million, respectively. We expect our maintenance capital expenditure to be in line with previous years. Any additional capital expenditure is expected to depend on contract renewals or growth.

Unwavering Commitment to Responsible Gaming, Social responsibility & Integrity

For us responsible gaming, social responsibility and integrity is not merely a strategy. These principles are weaved into the company fabric and we promote them throughout our global operations in any type of engagement. This unwavering commitment, which has been adopted since the company foundation, we believe is essential for building trust with State Authorities and in turn for renewing our existing contracts and winning new ones with lottery and gaming organizations in the State-sponsored gaming sphere. In general, State Authorities and Regulators require us to conduct our business with all due integrity and to provide well-designed games in a secure environment while preventing, to the maximum extent possible, underage, illegal and problem gambling and minimizing any potential harm to society.

In this sense, we strive to adhere to the following key principles across the INTRALOT Group network:

- comply with the applicable laws and regulations as set out by regulators in host countries;
- ensure that the interests of players and vulnerable groups are protected;
- continually develop appropriate practices and technologies on the basis of market research and information gathered from our global operations;
- promote the implementation of responsible gaming practices in our corporate activities and with our customers' activities;
- educate and provide the public with accurate and balanced information so as to enable players to make informed gaming choices;
- maintain a standing commitment to be **a good corporate citizen,** practicing **corporate** social responsibility and observing high ethical and integrity standards in **all** of our **business** dealings

Our Strengths

Our global presence, proprietary technology and track record of innovation have led us to become a market leader in the gaming sector and create significant barriers for new entrants

Attractive Target Market Dynamics

We operate in a large and growing global market for gaming activities of all kinds. In 2018, global GGR, is estimated to reach €391 billion from €375 billion in 2017, and are presently estimated to reach €432 billion by 2023, primarily due to continued liberalization of markets, further privatizations of state-owned lotteries and the continued and accelerating convergence of physical and online or interactive gaming. This trend of growth is presently expected to continue, as global GGR is presently estimated to grow at a CAGR of 2,0% from 2018 through 2023, according to H2GC.

Although we participate in all gaming market verticals, save for casino gaming, we have a leading presence and we focus on the most resilient segments of State-sponsored Lottery and Sports betting.

The Lottery segment has high barriers to entry as Lotteries are risk averse and their business is based on credibility, while the incumbency advantage has always been strong. It is noteworthy that no greenfield supplier has entered the business for many years and currently only two other companies compete with us for State Lottery contracts. The global lottery market has experienced notable stability and resilience, posting consistent growth in GGR since 2011. Worldwide lottery GGR is estimated to exceed €104 billion in 2018, posting a 2,6% CAGR since 2011, and is estimated to continue growing at a 1,7% CAGR between 2018 and 2023, reaching a level of €114 billion by 2023, according to H2GC.

The Sports Betting market, although more competitive during the recent years, is by far the fastest growing segment, posting a 11,2% CAGR since 2013 (for the land-based channel), and is expected to maintain its strong growth trajectory in the coming years.

Leading Proprietary Technology and Track Record of Innovation Provide a Secure and Defensible Market Position

We believe that our significant and innovative technological and operational expertise has positioned us as a global leader in the supply of integrated gaming systems and services, with a balanced presence in both developed and developing markets. We hold a leading market position in the majority of the highly regulated markets in which we operate. We entered the United States in 2001 and have since grown our U.S. operations to include contracts in 11 States and the District of Columbia, which we believe demonstrates the value of our products and services. As of December 31, 2018, we enjoyed a leading market position in the technology and support services market for lotteries in the United States with a 24% share of the market (by number of total state lotteries), a population coverage of approximately 40 million people (or 13%), and a market share in terms of wagers handled[2] of approximately 10%. We believe our established presence, significant market share and position as the single licensed operator in many of our markets pose significant barriers to entry for new entrants.

We currently hold 251 patents in gaming technology and we test numerous gaming concepts across our business activities annually to remain competitive in the latest games and concepts for the players. Our leading development capabilities also allow us to provide innovative and technologically advanced services across our three core business activities.

We also believe that our leading technology and R&D capabilities enable us to effectively compete with other technology providers, decrease capital expenditures and upfront costs as well as reduce on-going maintenance costs. We spent on a continuing operations basis

[2] Source: LaFleur's data for lottery sales in FY 2018; Refers only to numerical and instants' contacts.

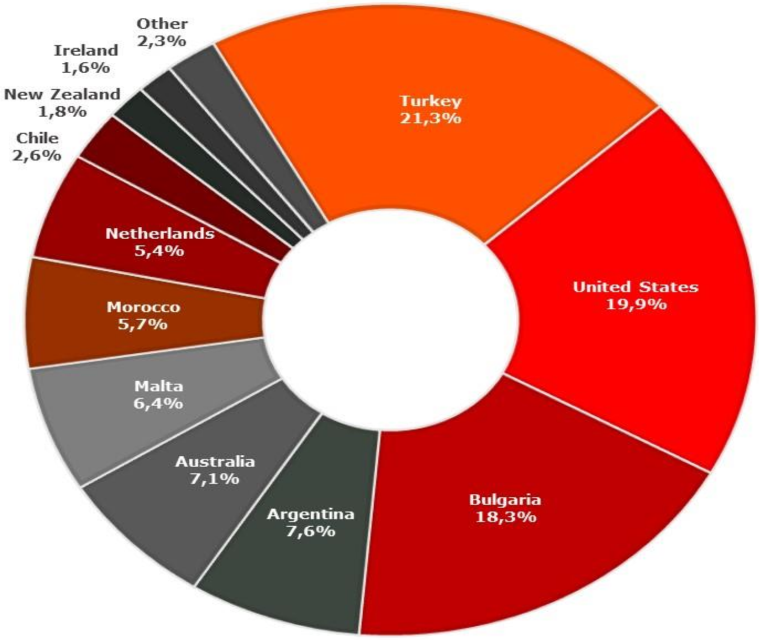
€14,7 million, €14,6 million, and €12,8 million on R&D in 2016, 2017, and 2018 respectively. In each of those years, we were included in the EU Industrial Research and Development Investment Scoreboard prepared and published by the European Commission for our significant investments in R&D, which we believe demonstrates our leadership and commitment as a technological provider.

The management and information systems we operate ensure compliance with industry standards and allow us to succeed in a highly regulated and competitive market, a success also highlighted by the important certifications we have received throughout our years in operation. We were the first international vendor to be awarded the Security Control Standards certification by the World Lottery Association, an award received by only a few vendors globally, which is an important distinction between us and our competitors. Accordingly, we were the first vendor to reach an ISO 20000 certification, and the World Lottery Association has also awarded us the Gaming Framework Certification. Among others, we hold the ISO 20000-1 certification on service management, the ISO 9001 certification on quality management and the ISO 14001 certification on environmental controls. We believe that our focus on data protection, game integrity and service quality towards our players and other stakeholders, will allow us to grow and retain our significant market position.

Broad-based Diversification across Contracts, Geographies and Business Activities

Our business is well-diversified geographically as our three core business activities of technology and support services, management contracts and licensed operations are carried out across a large number of different countries. We currently have operations in 47 jurisdictions on five continents and in the twelve months ended December 31, 2018, no single country represented more than 26,6% of our EBITDA, and no single contract represented more than 18,4% of our EBITDA.

EBITDA by Geography in the twelve months ended December 31, 2018(1)



(1) Countries with negative EBITDA have been excluded from the chart

In the twelve months ended December 31, 2018, our total positive EBITDA (excluding countries with negative EBITDA) reached €145,9 million. Additionally, substantially all of our revenues and cash resources are located outside of Greece, which mitigates sovereign risk associated with economic and political developments in that country. In the twelve months ended December 31, 2018, Greek entities represented only 4,0% (2.8% from clients based in Greece) of our revenue. We also benefit from a balanced presence in both developed and developing markets. In developed markets, we benefit from stable recurring revenues through long-term contracts, while in developing countries (particularly in countries that typically achieve higher GDP growth) we have the opportunity to achieve higher growth. We believe our global footprint allows us to diversify market risks that are specific to certain regions and to mitigate the cyclical nature of the sports gaming industry. Moreover, we benefit from strong contract diversity with a diversified portfolio of 83 contracts and licenses, including: 58 technology and support services contracts, which comprised 44,4% of our revenue net of payout during the twelve months ended December 31, 2018; four (4) management contracts, which comprised 19,8% of our revenue net of payout during the same period; and 21 licenses, which comprised 35,8% of our revenue net of payout during the same period.

Highly Visible Recurring Revenues and Cashflows

We believe that the long-term nature of our contracts and our strong track record of contract renewals provide us with significant revenue visibility. We estimate that approximately 66% (or 63% excluding Totolotek) of the revenues for the year ended December 31, 2018, were generated through multi-year contracts or renewable licenses that are available to us until 2023 (although the actual revenues that may be generated in the future from these contracts may increase or decrease). For instance, our multi-year contracts in the US have an average contract maturity of 7,7 years (raising to 8,0 years on a pro-forma basis for IL inclusion). The terms of our 58 technology and support services contracts range from 0,5 to 18,8 years, with an average remaining contract length of 4,5 years (or 6,0 years considering certain of our customers' renewal options), as of December 31, 2018. The terms of our four (4) management contracts have an average remaining contract length of 0,8 years, as of December 31, 2018. Many of our licensed operations contracts are open-ended, which means that they do not have a fixed term or are automatically renewable on a periodic basis, subject to our compliance with the license terms. We believe the automatically renewable nature of these contracts adds to the stability of our revenue streams.

We also have a strong track record of renewing or extending our contracts as they come up for renewal, as demonstrated by our recent contract renewals and extensions in the United States. Since 2008, we have successfully renewed or extended approximately 90% of our US contracts. Based on this experience, we expect to renew the substantial majority of our contracts upon their respective expirations, which we believe reflects the strength of our market position. In the twelve months ended December 31, 2018, we executed extensions with Wyoming, New Hampshire, Louisiana, and New Mexico State Lotteries (including a Sports Lottery product) while we secured new contracts with Camelot for Illinois State Lottery, the "LOTTO Hamburg GmbH" German State Lottery, the Croatian State Lottery, and the NEDERLANDSE LOTERIJ–the Dutch Lottery operator.

In addition to our exceptional product technology and service offerings, our track record of renewal is also supported by the fact that it is difficult for clients to switch technology or service providers due to high start-up expense in on-boarding new technology and replacing equipment (central systems and POS). Because the process to switch providers is lengthy and expensive, requiring advanced investment from a competitor in time, technology and equipment, we believe that we are ordinarily able to identify well in advance when a contract will not be renewed. In 2019, our contract in Morocco with MDJS is up for renewal, which contributed close to 80% to Morocco's revenue in the twelve months ended December 31, 2018. An RFP process is underway, and we are confident that our subsidiary will secure the new contract. However, no assurances can be made that such a renewal will occur.

Highly Scalable Asset-Light Operating Model

Our proprietary technology and expertise, along with our flexible operational model, allow us to create standardized products which can later be individually adapted for distribution. These technologies and operational capabilities reduce our costs. Additionally, our track record of successfully partnering with strong local operators has improved our ability to expand our global reach while minimizing required capital deployment and leveraging local expertise and existing business relationships to drive synergies and operating efficiencies.

Our scalable business model is supported by our advanced IT platform which allows us to optimize product development by minimizing customization requirements during development while at the same time providing for further product adaptation ("micro tailoring") upon distribution, making our product offering more adaptable. Our adaptable model enables us to provide technology to third-party operators, manage operations on behalf of licensees and hold and manage licenses directly as the IT platforms in various jurisdictions permit. It also enables us to address broader gaming sector trends such as increased demand for a personalized player experience, the development of a robust "all-in-one" gaming platform to ensure a unified customer experience converging land based and interactive channels while offering personalized game offerings and content and the shift towards mobile as the primary access point to online retail in the gaming sector.

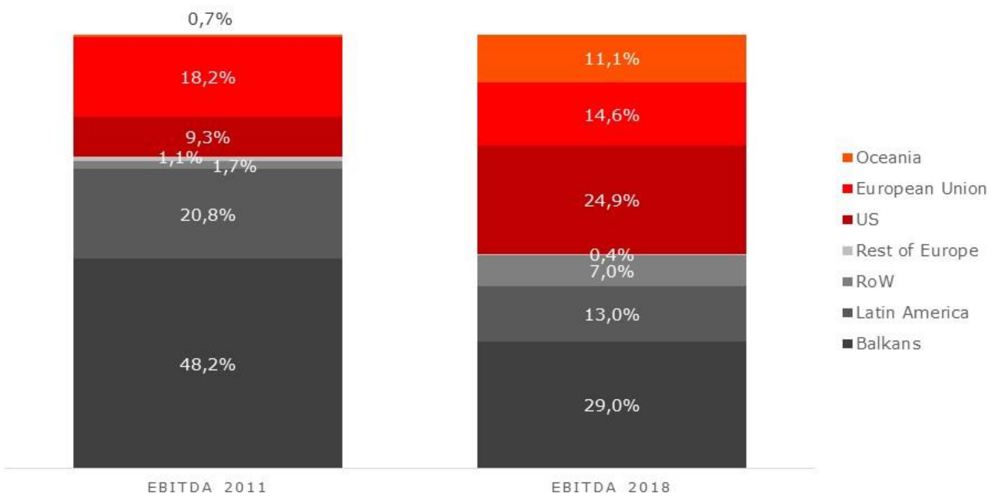
Our asset-light operating model is also supported by our partnerships with local operators which allow us to share financial and operational risk, reduce capital investments and acquire new contracts and customers through our local partners' relationships. Due to the recent global trend towards liberalization of gaming regulations driven by country and state budget deficits and increased demand for social welfare spending, we are able to expand the jurisdictions in which we offer our products and services by leveraging our expertise and capabilities. Historically, we sought to enter new markets on our own. Recently, however, we have established a rigorous evaluation process for identifying potential partners present in markets where we already operate as well as in new promising markets. We believe these partnerships provide the best means to grow and operate efficiently in certain local markets, as we can benefit from our partners' local relationships, extensive know-how and access to capital. Recent examples include; first, the business combination of our Italian activities with those of Gamenet, following which we obtained a 20% interest in the combined company. Within 2018, Gamenet completed the acquisition of Goldbet, becoming the leading betting operator in Italy, with a network of approximately 1.700 betting POS. Second, the sale of an 80% stake in our Peru operations to a local partner, providing us with ongoing strategic benefits from partnering with an established local multi-format retail operator with leading supermarket and retail pharmacy businesses.

Strong and Experienced Management Team

We have a seasoned and experienced management team, many of whom have been with the Company since its establishment. Our management team involved in the strategic planning and management of our day-to-day operations, has extensive experience in the industry while demonstrating a strong entrepreneurial spirit and a strategic perspective of to the international gaming industry. Under its leadership the company has been able to early identify the industry shaping trends and pursue opportunities of long-term strategic value with significant revenue generation potential before our competitors.

In recent years, our management team has refocused the operating model of the Company on establishing strong partnerships with local partners who can facilitate our growth in certain local markets while also helping us to operate more efficiently, as well as refocused the jurisdictions in which we operate.

The following diagram sets forth our EBITDA evolution by geographic area for the years ended December 31, 2011 and 2018.



**Rest of Europe includes Russia and Moldova; Rest of World includes Azerbaijan, South Korea, China, South Africa, Morocco; Balkans includes Greece, Turkey, Bulgaria, Croatia, Romania, Serbia, and Cyprus; European Union excludes the European Union countries included under the Balkans; and Oceania includes Australia and New Zealand.*

Since 2011, management has begun shifting our operations from the greater Balkan region to more advanced economies, such as the United States, Oceania and the European Union (which for the purposes of the following calculation excludes the European Union countries included under the Balkans, which we define as Greece, Turkey, Bulgaria, Croatia, Romania, Serbia and Cyprus). In the year ended December 31, 2018, the United States, Oceania and the European Union represented 50,6% of our EBITDA, compared to 28,2% in the year ended December 31, 2011.

Management has also refocused the operating model of the Company on maintaining our leadership position in technology innovation and development, establishing strong local partnerships and enhancing cash flow generation through our local partnership model, which also facilitates efficient operations, provides for low capital expenditures and dividend streams. In addition, our contract management policy promotes the strategic consideration of potential as well as existing contracts to optimize cash generation.

Best-in-Class Risk Management and Corporate Controls

We are exposed to a variety of risks including game pay-out risk and compliance risk. Our overall risk management strategy seeks to minimize potential adverse effects on both our financial performance as well as our credibility and reputation.

Our primary game payout exposure comes from our global sports betting operations. We manage this financial risk through best-in-class local odds setting as well as a main betting center in Greece, complemented by betting centers in Taiwan and Germany that controls our global fixed-odds betting activity and payout policy on a real-time basis. Our sports betting portfolio represented approximately 51% of our total revenue for the twelve months ended December 31, 2018, and we have a long track record of successfully managing payout risk. See "Our Products and Research & Development — Our Product Portfolio — Sports Betting Risk Management and Footprint" We also enter into risk exchange agreements with major international betting operators and early warning systems, as appropriate and applicable, when possible to further reduce our potential exposure.

Furthermore, we have rigorous internal controls and compliance procedures that are in line with listing standards and international best practices for cash management and legal and regulatory compliance. These include procedures to monitor transactions, maintain key back-up procedures and regular contingency planning as well as internal audits and procedures to detect money laundering. All of these procedures are facilitated in part by our central monitoring and control system that tracks all of our operations through Lotos. In August 2008, we became the first international lottery vendor to be certified according to the World Lottery Association Security Control Standard.

Strong and growing presence in the United States, driven by proactive client management and leading product and technology offerings

Proactive client management leading to increased revenues

The United States has become a key jurisdiction for our Group and a key part of our future growth strategy. Apart from our success in this region, the United States represents a large and attractive market, with advanced and stable regulatory frameworks and a long tradition in promoting and regulating profitable gaming operations. According to H2GC, GGR in the United States is estimated at €112,0 billion in 2018. To capitalize on this market, we have undergone rapid growth in the United States since 2015, whereby we have embarked on an aggressive strategy that involves increasing revenue on contracts through procurement processes, extending contracts where possible and profitable, and adding new contracts. This success has been driven by our proactive portfolio management whereby we examine and speak with our customers in order to better understand their needs in today's ever-changing, revenue-driven economy. This type of engagement has typically led to contract extensions and increased revenue opportunities with current customers. Recent examples of such successes include

Wyoming (extended to 2024), New Hampshire (extended to 2025), Louisiana (extended to 2030) and New Mexico (extended to 2025) with the addition of a Sport Lottery Game, tied to the outcomes of sporting events, available through the entire retail network of the Lottery, and we are currently in extension negotiations with the DC Lottery, that also involve the addition Sports Betting under the product portfolio umbrella. In addition, we have transitioned from a technology-driven organization to a marketing-driven organization, which we believe has allowed us to obtain key new client wins/extensions. We continue to add to our portfolio by positioning ourselves not as a commodity-driven business, but rather as a valued business partner. A recent such example is the signing of a contract with CAMELOT Illinois LLC for the Illinois State Lottery through October 2027.

As one of three primary competitors in the US lottery industry, innovation is critical and INTRALOT continues to be a leader. INTRALOT has led the industry in the last three state lottery start-ups, establishing the Arkansas Lottery, Wyoming lottery, and Georgia Coin Operated Amusement Machines (approximately 21.000 devices) and not only selling in record time but sustaining and increasing sales since initiation.

Leading product and technology offerings

The lottery gaming landscape is changing, and we have positioned ourselves to not only assist our customers through this change, but to lead the industry in adapting to this change. As a marketing-driven organization, we believe that we lead the entire US lottery industry in re-examining lottery gaming portfolios and conducting extensive portfolio analysis, each of which has enhanced our product offering and our ability to earn new client wins.

For example, we have become the industry expert in the fast-growing lottery gaming content channel, "Instant Online Games" — in 2018, our customers sold over $223 million in what was barely identified as a game category a few years ago. Furthermore, we continue to set the pace for the industry as the recognized self—service leader. We have further expanded our self-service portfolio and footprint, as we have debuted an industry-first 30-Bin Instant Ticket Vending Machine, while our multi-purpose vending machines (which was previously deployed in four US States) is under deployment in two more States, recording collectively over $1,1 billion in sales in 2018 on nearly 9.000 devices. The multi-purpose machine is designed as the anchor for the innovative, rapidly growing, server-based segment that not only carries state of the art digital gaming content that appeals to all age groups, but also delivers the traditional lottery games that customers already know and love. This self-service technology solution has placed us at the forefront of innovation as it enables practically every US lottery jurisdiction to introduce attractive content-rich games to lottery players through a channel that was previously underutilized or not adopted at all.

The most recent example of our ability to influence the mindset of our US Lottery customers is undoubtedly the wide adoption of sports betting. As the world's #1 sports betting operator in the

State-sponsored gaming sphere, we strongly pursue to convince our Lottery customers to jointly **implement** and operate **sports betting** in the post-PASPA market landscape. For this compelling, exponential growth opportunity we believe we are well positioned and equipped based on our proven record of global deployment and operation expertise. Additionally, our newly developed INTRALOT Orion solution, offers the needed adaptability to cover any US State regulation (retail only/mobile on property/full mobile/omnichannel) and is already in pre-testing and certification preparation for the applicable US standard (GLI-33).

Financial Review

Financial Highlights[3]

On an organic level[4], the group did not manage to absorb OPAP's new contract scope, USA's shortfall (4Q17 Ohio terminals sale, SC contract discontinuation, and IL implementation expenses), LY's software license right sale in Australia, and Bit8's first time consolidation. EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization) was further deteriorated by the adverse FX movement across markets (mainly Turkey, Argentina, Australia and the US), posting a -22,8% year over year decrease, reaching €116,5 million from €151,0 million in 2017.

Financial Data[5] *(in € million)*	**FY 2018**	**FY 2017**	***% Change***
Revenue (Sale Proceeds)	870,8	930,6	*-6,4%*
Licensed Operations	577,7	598,6	*-3,5%*
Management Contracts	90,2	99,5	*-9,3%*
Technology and Support Services	202,9	232,5	*-12,7%*
GGR	457,0	508,7	*-10,2%*
Gross Profit	161,3	200,1	*-19,4%*
Gross Profit Margin (%)	*18,5%*	*21,5%*	*-3,0pps*
EBITDA	116,5	151,0	*-22,8%*
EBITDA Margin on Sales (%)	*13,4%*	*16,2%*	*-2,8pps*
EBITDA Margin on GGR (%)	*25,5%*	*29,7%*	*-4,2pps*
Adjusted EBITDA[6]	106,7	126,4	*-15,6%*
EBT (Profit/(loss) before tax from continuing operations)	-2,1	-10,3	*79,6%*
EBT Margin (%)	*-0,2%*	*-1,1%*	*+0,9pps*
NIATMI (Profit/(loss) after tax attributable to the equity holders of the parent company from continuing operations)	-58,5	-63,8	*8,3%*
NIATMI (Profit/(loss) after tax attributable to the equity holders of the parent company from total operations)	-25,6	-53,4	*52,1%*

[3] For additional information on the Group's performance, please also consult the Management Discussion and Analysis Report published on our website
[4] CPI adjusted for Turkey and Argentina (proxy)
[5] The activities of Group subsidiaries in Azerinteltek AS (Azerbaijan), 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 2.31.A.VIII)
[6] Calculated as Proportionate EBITDA of fully consolidated entities including EBITDA from equity investments in Italy, Peru, Greece, and Taiwan

Wagers Handled

During the twelve-month period ended December 31, 2018, INTRALOT systems handled €17,5 billion of worldwide wagers (from continuing operations[7]), a 2,9% y-o-y decrease. Africa's wagers increased by 21,6% (driven by Morocco's performance) and North America's by 2,7% (driven by the significant Jackpots in Q4, despite the adverse USD movement), while East Europe's decreased by 12,9% (affected by the TRY currency devaluation), South America's by 8,7% (affected by the Argentinean Peso movement, despite Chile's and Peru's overperformance), Asia's by 3,0%, and West Europe's by 1,9%.

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

Reported consolidated revenues posted a decrease compared to FY17, leading to total revenues for the twelve-month period ended December 31, 2018, of €870,8 million (-6,4%).

- Sports Betting was the largest contributor to our top line, comprising 51,1% of our revenues (stable performance, year over year), followed by Lottery Games contributing 35,7% to Group turnover. Technology contracts accounted for 7,4% and VLTs represented 3,5% of Group turnover while Racing constituted the 2,3% of total revenues of FY18.

Reported consolidated revenues for the twelve-month period are lower by €59,8 million year over year. The main factors that drove top line performance per Business Activity are:

- €-20,9 million (-3,5%) from our Licensed Operations (B2C) activity line with the decrease attributed mainly to lower revenues in Argentina (€-22,6 million), and Cyprus (€-16,0 million), in part offset by Bulgaria (€+13,8 million) and Poland (€+6,2 million).
- €-9,3 million (-9,3%) from our Management (B2B/ B2G) contracts activity line with the decrease driven mainly by Turkey (€-13,2 million), in part offset by Morocco (€+4,8 million).
- €-29,6 million (-12,7%) from our Technology and Support Services (B2B/ B2G) activity line with the decrease attributed mainly to Greece (€-11,5 million), Argentina (€-10,2 million), the US (€-7,1 million), and Australia (€-5,0 million), in part offset by the maturing Chilean contract (€+2,4 million).

Gross Gaming Revenue (GGR) from continuing operations decreased by 10,2% (€-51,7 million to €457,0 million) year over year driven by:

- the significant drop in the non-payout related GGR (€-40,7 million vs. FY17), following the top line performance of our Technology & Management contracts, and
- the decrease in our payout related GGR (-6,4% y-o-y or €-11,0 million), following the lower top line performance of our licensed operations (-3,2% y-o-y on wagers[8]) and the increased YTD average Payout. YTD Average Payout Ratio was up by 0,9pps vs. LY

[7] Discontinued operations and contracts ended within the current period are excluded from the analysis.
[8] Licensed Operations Revenue include also a small portion of non-Payout related revenue, i.e. value-added services, which totaled €3.2 million and €5.0 million for FY18 and FY17, and €0.3 million and €1.2 million for 4Q18 and 4Q17 respectively

(72,0% vs. 71,1%) primarily due to an increasing weighted contribution from Bulgaria (payout and wagers driven), Poland (wagers driven), and Malta (payout and wagers driven) counterbalanced by the suspended license in Cyprus in 4Q 2017 (with a higher than average payout), Argentina (wagers and payout driven), and Brazil (wagers and payout driven).

EBITDA[9], from continuing operations, developed to €116,5 million in FY18, posting a decrease of 22,8% (€-34,5 million) compared to the FY17 results. On an organic level[10], the group did not manage to absorb OPAP's new contract scope, USA's shortfall (4Q17 Ohio terminals sale, SC contract discontinuation, and IL implementation expenses), LY's software license right sale in Australia, and Bit8's first time consolidation. EBITDA was further deteriorated by the adverse FX movement across markets (mainly Turkey, Argentina, Australia and the US).
The main drivers for the decrease in FY18 EBITDA, besides the FY18 GGR decrease, are:

- the deterioration in the Rest of Cost of Sales margin (-2,5% over GGR) driven mainly by the worsening margins in Greece (OPAP driven and HL one-off fee), USA (lack of significant terminals sale, SC contract discontinuation and IL implementation expenses), and Bit8 first time consolidation.
- the worse OPEX margin (-2,3% over GGR); mainly driven by the deterioration of the respective B2B/ B2G OPEX margin as a result of the increased administrative expenses (US mainly), coupled with higher penalty provisions in Morocco (based on a performance reconciliation mechanism). The impact of the first-time consolidation of Bit8 has been offset by Intralot HQ OPEX savings,
- partially offset by the improvement in the Taxes & Agent Fees margin (+0,3% over GGR), driven largely by the improvement in the respective B2B/ B2G margin as a result of a more favorable sales mix in the retail Sports Betting segment in Turkey, and
- the Other operating income in FY18, which in absolute figures dropped by €0,5 million vs. FY17 (+0,3% GGR margin improvement).

On a yearly basis, **EBITDA margin on sales**, has been impacted by the worsening margins of the B2B/ B2G segment, decreasing to 13,4% compared to 16,2% in FY17 mainly due to OPAP's new contract scope, USA's margin contraction (lack of significant terminals sale, SC contract discontinuation, and IL implementation expenses), Australia's software license right sale in 2Q17, and first-time consolidation of Bit8.

Adjusted EBITDA presented a year over year decrease of 15,6% concluding to €106,7 million from €126,4 million in 2017.

[9] Analysis in the EBITDA section excludes Depreciation & Amortization
[10] CPI adjusted for Turkey and Argentina (proxy)

Earnings before Tax in FY18 totalled €-2,1 million, improving compared to €-10,3 million in 2017. The improvement was driven by the higher income from participations/investments (€+42,5 million; largely assisted by a reversal of a provision recorded in 2017 regarding Gamenet, following the conclusion of Goldbet acquisition), the better Net Interest results (€+20,8 million) mainly due to significantly lower Finance Expense, and the significantly better FX results (mostly unrealized) (€+13,9 million vs. FY17) 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), counterbalanced by the impact of the decreased EBITDA as described above (y-o-y: €-34,5 million), the higher impairments of assets for the period (€-17,0 million vs. FY17; driven by Inteltek's contract discontinuation post August 2019), the loss from the equity method consolidation of associates (€-14,9 million vs. FY17), and the higher D&A for the period.

NIATMI (*Net Income After Tax and Minority Interest*) from continuing operations in FY18 concluded at €-58,5 million compared to €-63,8 million in FY17. NIATMI from total operations in FY18 amounted to €-25,6 million (better by €27,8 million vs. a year ago) benefited by the PAT contribution of the current period's discontinued operations (€+22,5 million vs. FY17). In 4Q18, NIATMI from continuing operations shaped at €-43,7 million (vs. €-37,3 million y-o-y). NIATMI from total operations in 4Q18 shaped at €-14,7 million, improved by €6,7 million vs. 4Q17.

Cash Flow & Net Debt

Statement of Financial Position/Cash Flows *(in € million)*	**FY18**	**FY17**
Total Assets	944,1	1.021,9
Total Equity	34,4	89,8
Cash & Cash Equivalents	162,5	238,0
Partnerships[11]	77,8	80,7
All other Operating Entities (with revenue contracts) & HQ	84,7	157,3
Net Debt	615,3	510,7
	FY18	**FY17**
Operating Cash Flows	88,6	154,0
Net Capital Expenditure	-103,2	-73,8

Operating Cash-flow posted a considerable decrease in FY18 at €88,6 million vs. €154,0 million in FY17. Excluding the operating cash-flow contribution of our discontinued operations (Jamaica, Santa Lucia, Russia, Slovakia, and Azerbaijan) the cash-flow from operating activities is lower by €56,2 million (€74,3 million vs. €130,5 million) significantly driven by the lower recorded EBITDA y-o-y (€-34,5 million) and the adverse working capital movement of FY18 (€-

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

33,0 million vs. €+1,4 million in FY17) while in part offset by lower tax payments, vs. FY17, by the Parent Company following one-off profits recorded in 2016. Current period WC impact is driven by the repayment of a long due interest-bearing liability (€-13,0 million), the inventory build-up for new projects (€-14,1 million) largely as a result of the Illinois and Ohio projects, with the remaining variance attributed to a timing impact from withholding tax payments in Bilyoner.

Net Capex in FY18 was €103,2 million compared to €73,8 million in FY17 affected mainly by the significant US outflows. Headline CAPEX items in FY18 include €59,1 million in the US mainly towards the Illinois new contract, Ohio and Arkansas contracts' renewal, and New Hampshire's "Keno" service launch, €5,8 million towards AMELCO, and €17,5 million towards R&D. All other net additions amount to €20,8 million for FY18. Maintenance CAPEX for FY18 stood at €20,1 million, or 19,4% of the overall capital expenditure in FY18 (€103,7 million), (FY17; €21,8 million or 29,3%).

Net Debt, of December 31st, 2018, stood at €615,3 million, up €104,6 million compared to December 31, 2017, as a result of the investments in our US business (€-57,0 million towards growth & renewal CAPEX in the US), the payment of the last instalment towards AMELCO software (€-5,8 million), the repayment of a long due interest bearing liability (€-13,0 million), the inventory build-up for new projects (€-14,1 million), own shares repurchase (€-8,6 million), the net results from investments (€+5,9 million; the outflow for an indirect stake in "Hellenic Casino Parnitha S.A." of €6,8 million being counterbalanced by the share capital return of €3,1 million from the Hellenic Lotteries equity investment, and the net cash impact of €9,6 million related to the sale of our operations in Azerbaijan) and the bond IFRS treatment (€+4,2 million).

Cash and cash equivalents at the end of FY18 decreased by €75,5 million vs. FY17; of the Cash & Cash Equivalents at the end of December 31st, 2018, €77,8 million are located in our partnerships, and the rest across all other Operating entities (with revenue contracts) and HQ (€84,7 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	FY 2018
Leverage ratio	5,28
Interest Cover ratio	2,97

Our Key Gaming Markets Performance[12]

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 – ending in June 2019 - 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. The Illinois contract went live in February 2019.

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, in early 2018, INTRALOT Inc. renewed the current contract with the Wyoming Lottery until August 2024. Moreover, in July 2018, INTRALOT announced a five-year extension to its current gaming systems contract with the New Hampshire Lottery Commission, through June 2025. The latest development as per contract extensions was realized in November 2018 with the renewal of the contract in New Mexico Lottery for 2 more years up to November 2025 with the addition of a Sports Lottery product. On the contrary, our South Carolina contract was not renewed and Intralot served the South Carolina Education Lottery up to the beginning of May 2018.

In 2018, our sales reached €86,0 million, posting a 7,9% decrease, over the prior year where our revenue amounted to €93,4 million. The declining performance is mainly attributed to the multi-play self-service lottery terminals sale in Ohio in 4Q17, the discontinuation of South Carolina contract, and the adverse USD movement (c.5,0% Euro appreciation versus a year ago — in YTD average terms). The above three drivers were only partially offset by the growth in sales of Numerical Games, driven by the record-breaking Mega Millions jackpot of $1,5b in 4Q18, the better contract terms (e.g. Idaho), and the higher other services income that fully absorbed

[12] Financial figures refer to the subsidiaries' contribution to the Group

the South Carolina contract expiration. In local currency base and excluding terminal sales in both years, our US operations presented a 6,8% increase. Revenue for the twelve months ended December 31, 2018, was 9,9% of the Group's total revenue.

Key Consolidated Financial Figures[13]	**FY 2018**	**FY 2017**	**Δ%**
(in € million)			
Revenue	86,0	93,4	-7,9%
GGR	86,0	93,4	-7,9%
EBITDA	25,0	33,0	-24,1%
CAPEX (Paid)	59,0	17,2	243,4%

Key Standalone Balance Sheet Figures	**FY 2018**	**FY 2017**
Intralot Inc - USA		
(in € million)		
Assets	153,2	92,5
Liabilities	77,1	51,1
Cash – Cash Equivalents	5,9	0,2
DC09 LLC		
(in € million)		
Assets	4,2	4,0
Liabilities	10,7	9,6
Cash – Cash Equivalents	0,1	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 Global operations, Greece is also home to our betting-trading 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 approx. 780 employees at the end of December 31, 2018. As such, Intralot S.A. expenses are allocated across the different projects, including - among others - the Greek projects, as follows:

Twelve months ended December 31, 2018	**OPAP**	**HL**	**Taiwan**	**Peru**	**Malaysia**	**All Other**[14]
Intralot S.A. expenses allocation per project						
CoS	27,5%	10,3%	8,4%	3,6%	5,9%	44,3%
Selling	17,7%	20,0%	4,0%	2,0%	3,0%	53,3%
Admin	17,4%	2,0%	4,0%	2,0%	2,0%	72,6%
R&D	28,9%	8,8%	7,7%	4,9%	3,1%	46,6%

[13] 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
[14] Refers to other smaller contracts with 3rd party clients, costs related to Intralot Group subsidiaries as well as other general administration expenses, including the effort allocated to service and support the pipeline of won and upcoming contracts.

The increase in our contracts' pipeline 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.
Our relationship with Greek Organization of Football Prognostics S.A. (OPAP) began in 1999. On July 31, 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 operations management services. Our contract is expected to run through 2026.
Revenue from Greek operations in 2018 was €35,2 million compared to €46,7 million in 2017, and revenue for the twelve months ended December 31st, 2018, was 4,0% of the Group's total revenue. The top line deficit in 2018 is mainly attributed to the transition to the new OPAP contract after July 2018 (with limited scope vs. the previous contract), specifically in the field of numerical games, and last year's one-off fee in relation to the Hellenic Lotteries project, partially offset by increased revenues from associates (Peru and Taiwan). The new OPAP contract with the revised scope is expected to generate annualized revenue of 0,5% of Group FY18 revenue.

Key Consolidated Financial Figures	**FY 2018**	**FY 2017**	**Δ%**
(in € million)			
Revenue	35,2	46,7	-24,7%
GGR	35,2	46,7	-24,7%
EBITDA	(22,1)	(10,6)	108,5%
CAPEX (Paid)	17,0	15,5	9,7%

Key Standalone Balance Sheet Figures	**FY 2018**	**FY 2017**
Intralot SA		
(in € million)		
Assets	405,3	397,6
Liabilities	348,5	313,0
Cash – Cash Equivalents	33,1	20,4
Intralot Services SA		
(in € million)		
Assets	2,9	2,5
Liabilities	2,4	2,2
Cash – Cash Equivalents	0,1	0,0
Betting Company SA - Greece		
(in € million)		
Assets	6,1	5,4

Liabilities	2,1	1,9
Cash – Cash Equivalents	1,0	1,6
Intralot Interactive - Greece		
(in € million)		
Assets	1,0	1,5
Liabilities	0,9	0,9
Cash – Cash Equivalents	0,4	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 8.000 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 (and CASINO HAPSA) 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), sustaining our footprint in the local market. In 2018 we exercised the extension in two more provinces (Catamarca and Santiago del Estero). Looking ahead, we expect to renew the contract in Santa Cruz within H1 2019 and the contract in Tierra de Fuego within H2 2019, thus, sustaining our footprint in the local market.

Our revenues from the Argentina facility management business in 2018 reached €17,7 million, versus €27,9 million in 2017. The lottery operator business generated sales of €42,2 million in 2018, compared to €64,8 million in 2017. Both operations' financial performance was substantially affected by the macro environment that led to the application of hyperinflationary economy reporting standard. Overall, the macro environment in Argentina drives the sales deficit. Our total revenue in Argentina for 2018 was €59,9 million compared to €92,7 million in 2017. Revenue in the twelve months ended December 31, 2018 was 6,9% of the Intralot Group's total revenue.

Key Consolidated Financial Figures[15]	**FY 2018**	**FY 2017**	**Δ%**
(in € million)			
Revenue	59,9	92,7	-35,4%
GGR	34,3	53,1	-35,4%
EBITDA	11,1	17,7	-37,2%
CAPEX (Paid)	0,9	1,6	-43,8%

[15] Argentina 2018 figures have been restated based on IAS 29 (Financial Reporting in Hyperinflationary Economies) so as to reflect current purchasing power. LY figures have not been restated based on IAS 21 (The Effects of Changes in Foreign Exchange Rates).

Key Standalone Balance Sheet Figures	FY 2018	FY 2017
Tecno Accion SA - Argentina		
(in € million)		
Assets	10,1	13,1
Liabilities	4,3	5,9
Cash – Cash Equivalents	0,7	1,7
TecnoAccion Salta SA		
(in € million)		
Assets	2,1	3,8
Liabilities	1,4	2,1
Cash – Cash Equivalents	0,9	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 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.

Excluding 2017 one-offs (software license sale for €4,0 million in 2Q17), revenue from our Oceania operations remained relatively flat between 2017 and 2018, in local currency terms, as a result of the nature of our business and the maturity of the gambling market, while the respective decrease in Euro terms is due to the unfavorable FX movement (Euro appreciation of c.7,2% versus the Australian Dollar and c.7,3% versus the New Zealand Dollar – both based on YTD average terms). Revenue in the twelve months ended December 2018 was 2,4% of the Intralot Group's total revenue. The decrease at EBITDA level largely follows the sale of a software license right in Australia in 2Q17 as noted above.

Key Consolidated Financial Figures	**FY 2018**	**FY 2017**	**Δ%**
(in € million)			
Revenue	21,0	26,3	-20,2%
GGR	21,0	26,3	-20,2%
EBITDA	13,0	18,7	-30,5%
CAPEX (Paid)	0,6	0,2	200,0%

Key Standalone Balance Sheet Figures	**FY 2018**	**FY 2017**
Intralot Gaming Services Pty Ltd (IGS)		
(in € million)		
Assets	13,0	13,6
Liabilities	6,3	5,8
Cash – Cash Equivalents	2,4	1,7
Intralot Australia PTY Ltd - Australia		
(in € million)		
Assets	6,0	7,4
Liabilities	1,1	2,2
Cash – Cash Equivalents	0,1	0,4
Intralot New Zealand Ltd - New Zealand		
(in € million)		
Assets	3,2	4,4
Liabilities	0,9	1,2
Cash – Cash Equivalents	1,2	1,8

Turkey

In Turkey, our subsidiary Inteltek manages sports betting operations on behalf of Spor Toto, 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 terms. 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 29th, 2018 with the same commercial terms. The contract will not be renewed as the outcome of the respective RFP process was unfavorable for our subsidiary – Inteltek.

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 Spor Toto. Bilyoner was established in 2003 and had an estimated 3,2 million registered players as of December 31, 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.+17% in local currency) and a respective shift towards Online Sports Betting (approx. 62% in the sales mix vs. c.54% a year ago). The benefit of the Sports Betting market expansion and mix change has been fully offset by the devaluation of the Turkish Lira (c.39.0% Euro appreciation versus a year ago – in average YTD terms).

Inteltek's sales dropped, in Euro terms, from €44,1 million in 2017 to €35,2 million in 2018, while respectively, Bilyoner's revenue decreased from €30,2 million to €26,0 million over the same periods. Both operations were heavily affected by the local currency devaluation as explained above, while in Turkish Lira terms they showcased an aggregate c.+14.0% increase vs. 2017 attributed both to the growth of the Sport Betting Market year over year and the shift towards Online Sports Betting. Overall revenue for Turkey was €61,2 million in 2018, compared to €74,4 million in 2017, which accounted for the 7,0% of the Intralot Group's total revenue for the twelve months ended December 31, 2018. The decrease at EBITDA level is mainly driven by the adverse FX movement. Inteltek's contribution on the Intralot Group's total EBITDA was 15,4% for the twelve months ended December 31, 2018.

Key Consolidated Financial Figures[16]	**FY 2018**	**FY 2017**	**Δ%**
(in € million)			
Revenue	61,2	74,4	-17,7%
GGR	61,2	74,4	-17,7%
EBITDA	31,0	39,2	-20,9%
CAPEX (Paid)	1,3	1,2	8,3%

Key Standalone Balance Sheet Figures Inteltek Internet AS - Turkey	**FY 2018**	**FY 2017**
(in € million)		
Assets	68,1	51,1
Liabilities	19,8	28,6
Cash – Cash Equivalents	63,7	45,8

[16] Deviation from FY17 reported figures in line with IFRS 15 treatment for revenue recognition

Bilyoner AS - Turkey

(in € million)		
Assets	14,6	25,3
Liabilities	5,1	11,2
Cash – Cash Equivalents	7,3	18,8
Cash – Cash Equivalents in hard currency (for both entities)	57,7	30,9

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 Moroccan lottery Marocaine des Jeux et des Sports (MDJS). The lottery operates a broad gaming portfolio that ranges from sports betting and numerical games, to instants and fast draw entertainment games, with a distribution network of over 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 Lottery's personnel. The contract expiration was in December 2018, however Intralot Maroc managed to secure a one-year extension with MDJS up to December 2019. An RFP process is underway, and we are confident that our subsidiary will secure the new contract. However, no assurances can be made that such a renewal will occur.

Until December 2018, Intralot Maroc also served lottery Societe de Gestion de la Loterie Nationale (SGLN), however following an open tender (RFP) in 2018, Intralot Maroc did not secure the contract renewal. SGLN generated 21,8% of the revenue of Intralot Maroc S.A. in 2018.

In 2018, Intralot Maroc generated revenues of €27,4 million, while in 2017 the revenue amounted to €22,5 million. The main driver behind the more than 20,0% growth is the significant uplift in Sports Betting revenue attributed to the enhanced product offering. Revenue for the twelve months ended December 31, 2018 was 3,1% of our Group's total revenue. Overall, since 2011 Intralot Maroc's CAGR in local currency exceeded 10%, thus contributing substantially to the development of the sector in the country. It is noted that results for both fiscal years (2018 and 2017) include provisions for penalties (through a performance reconciliation mechanism), though higher in 2018.

Key Consolidated Financial Figures	**FY 2018**	**FY 2017**	***Δ%***
(in € million)			
Revenue	27,4	22,5	21,8%
GGR	27,4	22,5	21,8%
EBITDA	8,3	6,5	27,9%
CAPEX (Paid)	1,5	0,8	87,5%

Key Standalone Balance Sheet Figures Intralot Maroc SA	**FY 2018**	**FY 2017**
(in € million)		
Assets	20,2	16,9
Liabilities	24,7	20,7
Cash – Cash Equivalents	6,0	6,0

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 850 POS. In August 2015, Eurofootball successfully launched its Virtual Football game, which reached a share of 41% of Eurofootball's total games portfolio in 2018, while in January 2018 a new Racing (Horses) game was launched. We have also offered Virtual and Live Greyhounds since 2012. Following the enactment 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 1.100 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 in some POS (started in 2017). 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 approx. 4.000 points of sale. The company also has a presence in Bulgaria's online gambling sector.

Eurofootball Group 2017 revenue amounted to €252,4 million, while in 2018 revenues reached €266,7 million. This increase is mainly driven by the growth in Virtual Sports, Racing, and Sports Betting, in part fueled also by the increasing Payout %. Revenue net of gaming payout in 2017 was €59,3 million, while in 2018 it remained relatively stable at €58,4 million. The revenue of Eurobet Group in 2017 reached €59,5 million, while our revenue net of gaming payout was €19,6 million. In 2018, Eurobet Group delivered sales of €59,0 million with revenue net of gaming payout at €18,8 million. Our overall 2018 revenue from Bulgaria was €325,7 million compared to €311,9 million in 2017. Revenue from Bulgaria in the twelve months ended December 31, 2018, was 37,4% of the Intralot Group's total revenue. EBITDA variance mainly follows the GGR movement (driven by a small increase in payout % year-over-year) along with a slight increase in the OPEX of Eurofootball Group.

Key Consolidated Financial Figures[17]	**FY 2018**	**FY 2017**	**Δ%**
(in € million)			
Revenue	325,7	311,9	4,4%
GGR	77,2	78,9	-2,2%
EBITDA	27,1	29,4	-7,8%
CAPEX (Paid)	0,6	0,5	20,0%

Key Standalone Balance Sheet Figures[18]	**FY 2018**	**FY 2017**
Eurofootball Ltd - Bulgaria		
(in € million)		
Assets	26,9	37,9
Liabilities	1,9	2,1
Cash – Cash Equivalents	5,0	4,7
Eurobet Ltd - Bulgaria		
(in € million)		
Assets	4,5	7,7
Liabilities	3,1	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, Lotto and Grand Lottery), fixed-odds betting both pre-game and live, a KENO game, a Bingo 75 and a Fast Bingo game, three horse racing games (ATG, GBI, Phumelela) and instant tickets in a network of approximately 230 POS.

The revenue of Maltco Lotteries in 2018 reached €96,7 million, presenting slight growth (+4,4%) compared to the same period in 2017 (€92,6 million), driven by the introduction of SuperStar Lottery game, and Sports Betting sales. Revenue net of gaming payout appear relatively stable amounting to €37,1 million in 2018 compared to €36,4 million in 2017. Our total revenue from Malta for the twelve months ended December 31, 2018, was 11,1% of the Intralot Group's total revenue.

Key Consolidated Financial Figures	**FY 2018**	**FY 2017**	**Δ%**
(in € million)			
Revenue	96,7	92,6	4,4%
GGR	37,1	36,4	1,9%
EBITDA	11,6	11,4	1,8%
CAPEX (Paid)	0,4	0,2	100,0%

Key Standalone Balance Sheet Figures	**FY 2018**	**FY 2017**

[17] Deviation from FY17 reported figures in line with IFRS 15 treatment for revenue recognition
[18] The Balance Sheet figures of the main entities of each Group are presented.

Maltco Lotteries Ltd - Malta

(in € million)		
Assets	30,2	32,3
Liabilities	15,0	10,0
Cash – Cash Equivalents	13,1	9,0

Looking Ahead

The lottery industry experiences significant changes and is facing both increased challenges and a wealth of opportunities. Regulatory initiatives, market liberalization, technological convergence and omni-channel approach, new business models and the need to attract new customer demographics all set the pace of change and the basis of very interesting developments.

In this environment, INTRALOT is well positioned to succeed, targeting to reap the fruits of its clear strategy and transformation initiatives in the imminent future. As a global leader in Lottery and Sports Betting technology and end-to-end services, we are currently strengthening our capabilities for online services through a new dedicated digital division that will help up capture many new business opportunities, especially in the area of sports betting in the United States and in the European Union and especially a booming online market in Turkey.

In the last three years, INTRALOT has been consistently investing in the development of next-generation products and services for lottery digital transformation, launching in 2018 a new Lottery platform, Lotos X and a new sports betting platform, INTRALOT Orion.

In the same period, INTRALOT has been pursuing a strategy to re-organize its markets portfolio through both divestments from emerging markets and new business development investments in mature markets. Our US operation is today our most strategic asset and we look forward to capitalizing on our strengths in this market, including a significant contribution to our earnings from the new operation in Illinois, that started in February 2019.

We anticipate that current costs of new product development will be reduced significantly during 2019 and 2020 as our products become mature, resulting in recurring savings of our cost base. After a recent management reshuffle, we are currently working on a plan to re-organize our production and services capabilities in ways that will further reduce operating costs through synergies between divisions and between headquarters and subsidiaries, as of this year.

Our strong focus remains on our mission to best address the needs of our clients with reliable products and services and to generate new free cash flows through the combination of organic growth and cost optimization initiatives, while continuing divestments from non-core assets when market conditions are favorable. In 2019, we anticipate our efforts and activities to be translated in a neutral year for the cash flow attributable to the Shareholders of the parent company[19].

[19] Including the cash flow contribution from our partnerships, namely our stakes in Turkey (Inteltek & Bilyoner), Bulgaria (Eurofootball Group & Eurobet Group) and Argentina

CORPORATE RESPONSIBILITY

Scope

The information indicated below regarding the Corporate Responsibility program refers to:

- the period 01/01/2017 - 31/12/2017 (unless indicated otherwise in certain points). Due to procedural reasons the release of the 2018 Corporate Responsibility Report will be made available by the end of H1 2019.
- all activities of INTRALOT S.A. (referred as 'INTRALOT' or 'Company'), while further references to selected activities of other companies within the INTRALOT Group (referred as 'INTRALOT Group' or 'Group') are presented (without being included in this scope), with the exception of Responsible Gaming, which refer to the entire INTRALOT Group.

Drawing from its corporate strategy of sustainable leadership in the gaming sector, INTRALOT's sustainability strategy is to create shared value for all its stakeholders through the generation of economic resources for good causes, responsible gaming operations, technology and product innovation that fosters transparency, the development of education and human capital in the communities where the company operates, and a deep sense of environmental responsibility.

Managing Corporate Responsibility

Integrating Corporate Responsibility within the organizational structure

INTRALOT strives to create value for its Stakeholders and adhere to the highest levels of integrity, responsibility, innovation and sustainable growth. From an organizational perspective, the Group Corporate Affairs Division is assigned to manage the issue of Corporate Responsibility, in order to streamline activities and facilitate the Company's responsible operation, at a strategic, organizational and operational level.

INTRALOT's management structure related to Corporate Responsibility is depicted below:

CORPORATE RESPONSIBILITY MANAGEMENT

- At Board level, the overall responsible is the Group Chief Executive Officer, who is the Chairman of the Executive Committee, with the leadership on Corporate Responsibility plan.
- At Director level, the Group Director Corporate Affairs is responsible to organize the relevant activities, as well as to review the Group's Responsible Gaming program. The Group Corporate Affairs Division is assigned to streamline activities and facilitate the Company's responsible operation, at a strategic, organizational and operational level.
- At Operational level, the Head of Public Relations & Corporate Social Responsibility is responsible to guide, plan, implement and evaluate the Corporate Responsibility program, as well as cooperate with other departments.
- The Corporate Affairs Division interacts with General Directors of Operations and other Divisions within the Company, at a local and global level, to facilitate respective practices implemented.

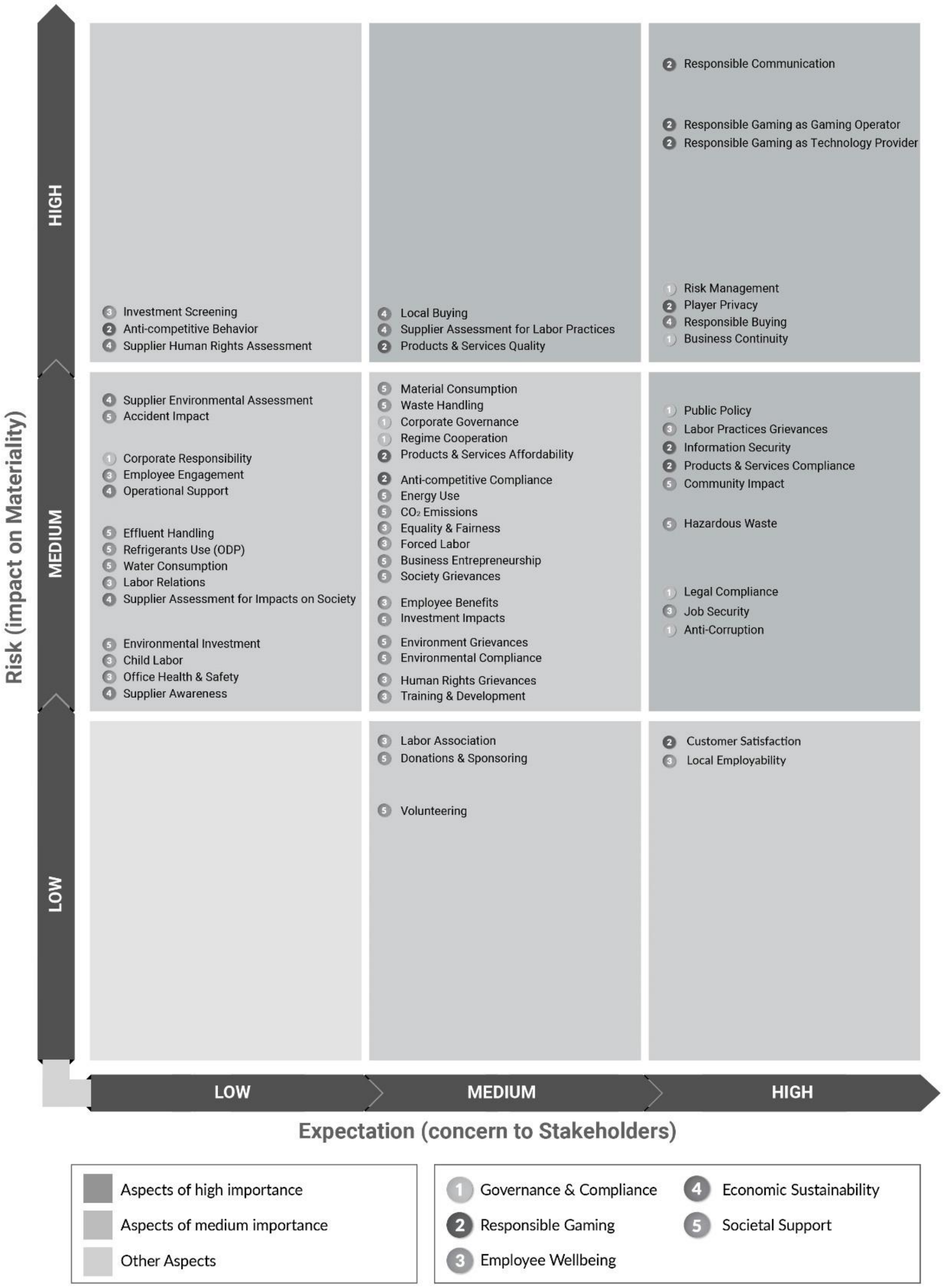
Material Issues

Recognizing Material Issues

In order to holistically examine issues that can or could affect its responsible operation and ensure that the content of this Report focuses on the Material Issues, INTRALOT conducted a Materiality Analysis, structured around four stages:

1. Identification of potential aspects, through which over 90 issues were considered by reviewing:
    a. Current industry practices.
    b. Future trends.
    c. Relevant industry related analyses by international organizations, such as the Robeco SAM's Sustainability Yearbook for the 'Casinos & Gaming' sector.
    d. Regulatory environment.
2. Analysis of these issues in terms of associated Risk, according to the significance of the economic, social and environmental impacts that the Company's activities, products and operations either have or could have.
3. Identification of Stakeholders' expectations, through the analysis of their views as a result of relevant surveys that have been conducted (e.g. Customer Survey) and the indirect input from the departments which interact with each Stakeholder group.
4. Combination of the Risk analysis and Stakeholders' expectations, which resulted in defining the Material Issues that INTRALOT should focus on.

The Materiality Analysis, as well as the current Report, which were approved by the Group Corporate Affairs Director, depicts the Material Issues for 2017 in the grey shaded area of the diagram in the next page.


Risk (impact on Materiality)
HIGH
MEDIUM
LOW
Investment Screening
Anti-competitive Behavior
Supplier Human Rights Assessment
Local Buying
Supplier Assessment for Labor Practices
Products & Services Quality
Responsible Communication
Responsible Gaming as Gaming Operator
Responsible Gaming as Technology Provider
Risk Management
Player Privacy
Responsible Buying
Business Continuity
Supplier Environmental Assessment
Accident Impact
Corporate Responsibility
Employee Engagement
Operational Support
Effluent Handling
Refrigerants Use (ODP)
Water Consumption
Labor Relations
Supplier Assessment for Impacts on Society
Environmental Investment
Child Labor
Office Health & Safety
Supplier Awareness
Material Consumption
Waste Handling
Corporate Governance
Regime Cooperation
Products & Services Affordability
Anti-competitive Compliance
Energy Use
CO_2 Emissions
Equality & Fairness
Forced Labor
Business Entrepreneurship
Society Grievances
Employee Benefits
Investment Impacts
Environment Grievances
Environmental Compliance
Human Rights Grievances
Training & Development
Public Policy
Labor Practices Grievances
Information Security
Products & Services Compliance
Community Impact
Hazardous Waste
Legal Compliance
Job Security
Anti-Corruption
Labor Association
Donations & Sponsoring
Volunteering
Customer Satisfaction
Local Employability
LOW
MEDIUM
HIGH
Expectation (concern to Stakeholders)
Aspects of high importance
Aspects of medium importance
Other Aspects
1 Governance & Compliance
2 Responsible Gaming
3 Employee Wellbeing
4 Economic Sustainability
5 Societal Support

Stakeholder Engagement

Interacting with Stakeholders

INTRALOT has a large number of internal and external Stakeholders, who can be defined as all those who are either affected by the Company's operations or affect its operations. Since Stakeholders increasingly require transparency and active involvement in issues, such as societal support and environmental protection, the Company intends to enhance its Stakeholder engagement program by expanding its participation in various business fora, such as the European Business Ethics Network and the Hellenic Business and Industry Federation's Sustainable Development Committee.

In addition, INTRALOT is actively engaged with business initiatives of industry associations, such as the World Lottery Association's Responsible Gaming Programs and the European Lotteries initiatives.

Societal Support

A key element of INTRALOT's approach to society is to understand the expectations of local community members and effectively contribute to their needs. The Company seeks to align its economic growth with support to society and strives to:

- Support knowledge and technological know-how sharing to local communities.
- Contribute to enhance the quality of life.
- Implement programs to create value to different groups and accelerate social growth and prosperity.

While environmental protection is a particularly important aspect for most industries, the gaming industry can be considered as of relatively low impact to the environment. However, improving its environmental performance is a challenge that the Company takes very seriously. Therefore, INTRALOT:

- Has established an Environmental Management System (EMS), fully compliant with ISO 14001:2015 requirements, which is continuously improved in accordance with INTRALOT Group strategic objectives. The EMS is audited annually by TUV Nord Group and re-certified every three years.
- Has established an Environmental Legislation Monitoring Procedure to ensure compliance with applicable environmental national and international laws and regulations.
- Has adopted eco-friendly processes, in order to conserve energy and natural resources to minimize the potential impact of its operations on the environment, as well as address environmental issues throughout its products and services' life cycle, such as:
    - Produce energy efficient and durable products.
    - Design products without any hazardous and restricted materials.
    - Increase the use of recyclable materials.
- Takes into consideration regular environmental impact assessments.

It must be noted that within 2017:

- There were no incidents with environmental impacts on local communities.
- There were no written notices regarding environmental issues by respective authorities.
- There were no complaints about environmental impacts filed through formal grievance mechanisms, no prosecutions or legal actions for environmental issues and no fines or non-monetary sanctions for non-compliance with environmental laws and regulations were imposed by the respective authorities.

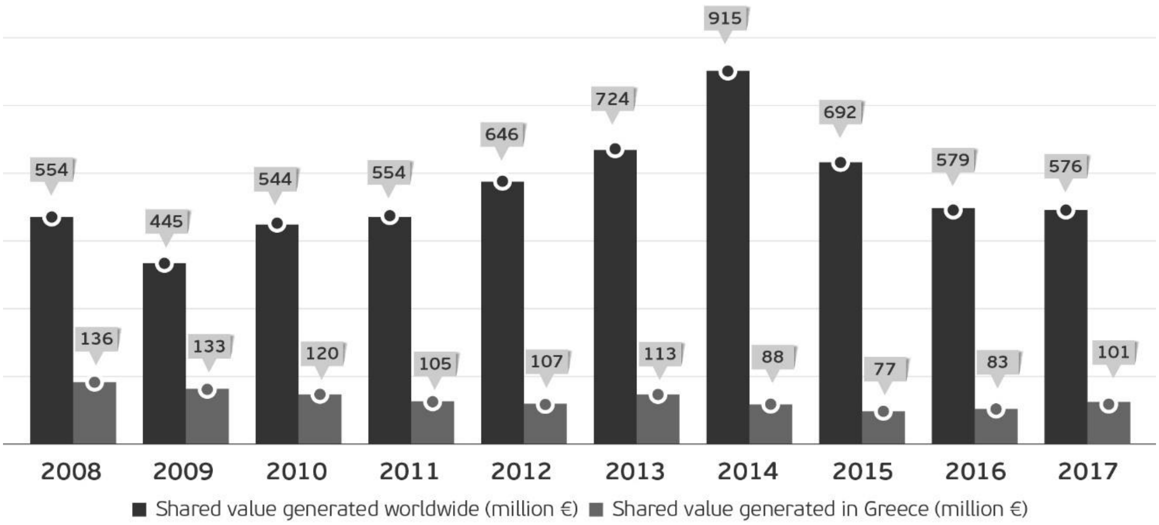
Sharing Value

INTRALOT Group generated €575.7 million of shared value for its Stakeholders in 2017, slightly decreased from €578.9 million in 2016. At INTRALOT level, the Company generated €101 million of shared value in 2017 in Greece.

The Group generated over **€6,2 billion** shared value in the last 10 years, with over **€1 billion** being in Greece

ANALYSIS OF THE SHARING VALUE OF THE GROUP

SHARING VALUE

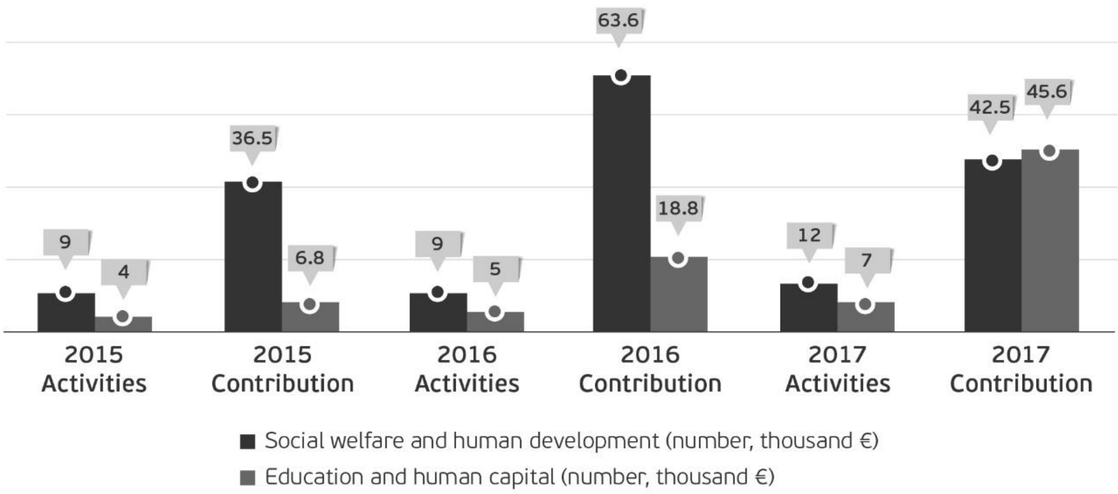


Contributing to Society

INTRALOT is committed to support the communities where it operates, as they provide the resources, infrastructure and markets for its businesses operations. Therefore, the Company has launched the targeted social support program 'INTRALOT – We Care a Lot', which included 19 activities in 2017, with a total investment of over €88.000 in two main areas:

- Advance education and human capital.
- Support social welfare and human development.

INTRALOT – WE CARE A LOT PROGRAM



Advancing education and human capital

Education and human capital constitute an important priority and INTRALOT supports various activities, which include:

- Support to the University of Hohenheim's Gambling Research Center, which conducts research on the various economic and social aspects of gambling and its impact on player behavior, habits and lifestyle.
- Support to the United States' Educational Foundation Fulbright.
- Support to the initiative 'Panorama of Entrepreneurship and Career Development'.
- Support to Arsakeia Schools for the "Arsakeios Run Race", an open run of 5km for elementary students and their parents.
- Sponsorship support to the "Beach Volley Team", which participates at Hellenic Championship Masters.
- Sponsor to the American Hellenic Chamber of Commerce's 1st Leadership Forum 2017 titled: "Talk with young people: Business Opportunities and Entrepreneurship" event that took place at INTRALOT'S Innovation Center.
- Sponsor to the 19th Annual Capital Link Invest in Greece Forum – New York, Metropolitan Club.
- Sponsor to the FITCE 1st Technology Forum titled "Advanced technologies, optical, 5G, satellite and their role in future developments"
- Sponsor to the Institute of Internal Auditors Greece's 2017 Annual Conference "Eyes Wide Open".
- Sponsor to the Annual Forum for Business Excellence in Exports "CREATIVE GREECE AWARDS 2017" that recognize Business Excellence in the field for extroversion.

Supporting social welfare and human development

INTRALOT's initiatives focus on supporting underprivileged groups, in collaboration with various NGOs and institutions, with indicative examples being:

- Support to Nikaia-Athens Diocese of the Orthodox Church of Greece every Easter and Christmas season for the last twelve years.
- Sponsor to the Embassy of the Republic of Malta for the opening reception of the historical occasion of Malta's Presidency of the EU Council.
- Support of the organization "Make-A-Wish Greece" to organize its annual official banquet "Wish upon a star".
- Donation of used toys and books to the NGO "Together for Children", which supports over 30,000 children annually.
- Sponsor to the Holy Metropolis of Thebes and Levadia.

19 activities were supported through social support program, with €88.000 invested

Encouraging volunteerism

INTRALOT seeks to leverage corporate skills and resources and cultivates volunteerism through various activities, as described below:

INTRALOT Runners

Within 2017, INTRALOT participated with 65 runners to the 35th Athens Marathon, the Authentic, with over 50.000 participating athletes from 100 countries. For the sixth consecutive year, 'INTRALOT Runners' ran the 5km, 10km and 42km races of the Marathon to support the NGOs 'Make-A-Wish Greece' and 'Greek Society for the Protection of Autistic People'.

Blood donation

In order to further contribute to society, INTRALOT implemented one blood donation program within 2017, in cooperation with the Athens Children's Hospital 'Aghia Sofia', where INTRALOT has established a blood bank. As a result, the Company gathered 60 blood units, to support needs of employees and their families, as well as needs of society in general.

Caring for the impact of operations

Local communities constitute an important Stakeholder of INTRALOT, as they are directly related with the Company and its activities. Therefore, the Company aims to remain aware of its operations' effects and identify their impacts on local communities. To this day, the Company has not identified any operations with significant actual or potential negative impacts on local communities.

It must be noted that within 2017:

- Approximately 75% of INTRALOT's premises are accessible by people with disabilities.
- There were no significant investment agreements and contracts with clauses on human rights.
- There were no accidents with significant impact on the local communities.
- There were no complaints about impacts on society filed through formal grievance mechanisms and no fines or non-monetary sanctions for non-compliance with relevant laws and regulations were imposed by the respective authorities.

Materials and Waste

Environmental Policy

The Company is committed to minimize its potential environmental impacts, conserve energy and natural resources and fulfill its obligations related to environmental legislation. According to the provisions of the Code of Conduct, INTRALOT is committed to being an environmentally accountable corporate citizen and strives to conserve resources and reduce waste and emissions through recycling and other energy conservation measures. For this reason, INTRALOT has established an Environmental Management System (EMS), fully compliant with the requirements of ISO 14001:2015, with the following key points:

- Exploit state-of-the-art technology to establish environmentally friendlier and efficient operations, which minimize waste, pollution, health and safety risks, as well as enable safe waste disposal.
- Be an environmentally responsible Company and address incidents or conditions that threaten health, safety or the environment.
- Meet or exceed the environmental legislation that relates to its operations and processes (i.e. national legislation, European regulations, legislation and non-normative directives).
- Minimize emissions through appropriate selection and use of vehicle fleet and employee travel methods.
- Actively promote recycling, both internally and amongst customers and partners.
- Set and evaluate achievable environmental performance goals to continuously improve the EMS.
- Use materials and technologies that comply with environmental standards and recycle old equipment in an environmentally responsible way.

Paper consumption reduced by 1%

INTRALOT's Top Management is responsible to ensure that the Environmental Management System incorporates all mandatory legal requirements and the Environmental Risk Officer monitors risks related to the environment, proposes changes to the Environmental Management System and ensures that all changes have been understood and are followed.

Reducing materials

Materials consumption at INTRALOT is a direct result of its operational needs (i.e. paper, toners). It must be noted that the Company:

- Uses central printers to scan and electronically disseminate copies, in order to reduce its paper and toner consumption for bid documents and other hard copies.
- Monitors and controls printing volume through centralized MPS printers, where employees use their access cards to print any documents.
- Replaced plastic cups with glass cups in water coolers, which prevents disposal of approximately 360,000 plastic cups each year.

Materials' Consumption

	2014	2015	2016	2017
Paper (kgs)	13,550	10,425	6,800	6,730
Toners (units)	NR	419	239	296

NR = Not reported

It must be noted that manufacturing of gaming terminals complies with the Restriction of Hazardous Substances (RoHS) Directive 2002/95/EC, which limits or bans specific substances in new electronic and electric equipment (e.g. lead, cadmium, PBB, mercury, hexavalent chromium, PBDE flame retardants). At the same time, INTRALOT requires that its suppliers located in Europe comply with the RoHS Directive, as well as the Waste Electrical and Electronic Equipment (WEEE) Directive 2002/96/EC.

Recycling materials

In order to further reduce its environmental footprint, INTRALOT follows the relevant legislative framework concerning waste disposal and does not directly send any waste to landfills. Instead, all waste is systematically collected and sent to a licensed recycling partner, who handles waste disposal in an appropriate and environmentally friendlier manner.

At the moment, INTRALOT does not use recycled or FSC certified paper or any other recycled materials. It must be noted that the Company is responsible to remove hazardous waste included in hardware produced or traded by INTRALOT according to environmental procedures in cases of leased equipment that is removed after the expiration of the agreement.

Recycling bins

In order to collect and convert waste materials into reusable objects, INTRALOT has placed recycling bins, which include:

- Green recycling bins for paper on each floor. The Company has assigned specialized employees to handle collected paper and regularly sent it to a partner recycling company.
- Blue recycling bins for aluminum cans on each floor.
- Clear recycling bin for batteries at the main entrance
- Specially marked bins in the kitchen areas of Maroussi and Peania premises for recyclable materials such as plastic, metal and glass packaging.

Electronic equipment

The Company re-uses telecommunication devices and IT equipment (such as personal computers and mobile phones) if they are in working condition and re-assigns them to another user. In case they cannot be re-used, the Company stores certain components as spare parts (such as memory discs, batteries and hard discs) and forwards the remaining materials for recycling.

Materials Recycling

	2011	2012	2013	2014	2015	2016	2017
Operational needs							
Paper (kgs)	7,200	7,350	7,125	10,162	2,500	3,000	3,000
Toners (units)	716	818	820	740	21*	14	45
Batteries (kgs)	498**	93	33	40	63	34	14 *(additional 37 kgs collected, but not yet recycled)*
Electrical and electronic equipment (WEEE) (kgs)	NR	NR	NR	NR	NR	12,810	NR
Packaging materials							
Cardboard / paper (kgs)	2,500	2,500	NR	3,000	2,750	3,000	3,000
Cardboard packaging for liquids (kgs)	0	0	NR	0	1	0	0
Plastic (kgs)	10	0	NR	1	0	1	1
Wood (kgs)	3,000	3,000	NR	3,500	3,200	3,000	3,000
Packaging pieces (units)	18,000	18,000	NR	20,000	19,000	19,000	19,000

**Toners from centralized printers (MPS) for June-December 2015.*
***450kgs were car batteries.*
NR = Not reported

Monitoring water consumption

Water scarcity is highlighted as an extremely important environmental aspect which requires urgent action, as the needs and demand for this precious resource have been intensified during the last years. INTRALOT is aware of its relative scarcity and therefore strives to reduce water consumption, where feasible, and therefore:

- Monitors water consumption in its premises in Maroussi and Peania.
- Water supply is performed exclusively through the public water supply network and water utility companies; therefore no other water sources are affected.
- All liquid waste is directed to the public waste network.
- Does not use hazardous cleaning materials.
- At the moment, does not recycle or reuse water for its operations.
- Has implemented control mechanisms to respond to potential water supply failures and water leakages.
- Repaired the cooling towers for the air conditioning system in its building in Maroussi, in order to handle water leakages that were noticed.
- There were no planned or unplanned water discharges and no significant spills of chemicals or fuels or any other material.

Water Consumption

	2015	2016	2017
Water consumption (m^3)	4,816	9,676	10,474

The increased water consumption for 2016 and 2017 can be attributed to the volume required to fill the cooling towers for the air conditioning system in INTRALOT's building in Maroussi, due to water leakages noticed.

Energy and Emissions

Analyzing energy impact

Although INTRALOT's operations are not energy intensive, the Company consciously seeks to reduce energy consumption, which is linked to global climate change. The main sources of its energy consumption are electricity (entirely purchased from the Public Power Corporation – Hellas) and heating petrol.

Energy Consumption

	2015	2016	2017
Diesel for vehicle fleet (lt)	NR	NR	48,932
Gasoline for vehicle fleet (lt)	NR	NR	33,417
Heating petrol (lt)	65,000	60,000	88,456
Electricity (KWh)	2,101,838	3,408,380	3,281,880

Data refer to all buildings of INTRALOT S.A.
NR = Not reported

Electricity consumption reduced by 3.7%

In order to reduce its energy consumption and air emissions, INTRALOT:

- Has implemented an energy saving program in all facilities.
- Complies with the necessary technical and maintenance requirements of petrol tanks used for heating.
- Regularly checks the electromechanical equipment (boilers) for heating and hot water, air conditioning systems, as well as computer and other office equipment according to global acceptable standards and practices.
- Monitors the fuel consumption of corporate leased vehicles, through corporate credit cards issued to users.

- Complies with the Euro 5 (2009/9) standard for light passenger and commercial vehicles for all corporate leased vehicles.
- Utilizes company buses from major public transportation stations to transport employees from/to Peania premises.
- Encourages car-pooling of employees in Peania premises.
- Uses LED lamps in its building in Maroussi, while approximately 85% and 10% of lamps installed in Maroussi and Peania premises respectively are energy-efficient lamps.
- Has installed photoelectric cells in garage areas, in order to ensure that lights are turned off when no employee is in the garage areas.
- Has instructed the Building Security guards to perform regular inspections during their shifts (including late night shifts), in order to ensure that lights and the heating/cooling are turned off in workspace areas where no employee is present during late evening and night hours.
- Has installed and operates a Building Management System (BMS) in its building in Peania, which allows operations to automatically halt in case of malfunctions.

Monitoring greenhouse gas emissions

Direct and indirect energy consumption unavoidably lead to greenhouse gas emissions. Despite the fact that INTRALOT operates in a non-energy intensive industry with limited greenhouse gas emissions compared to other industries, the Company systematically measures and reports its greenhouse gas emissions due to its extensive operations and the issue’s importance worldwide.

Greenhouse gas emissions

	2015 (tons CO_2)	2016 (tons CO_2)	2017 (tons CO_2)
Direct (Scope 1) Greenhouse gas emissions			
Due to diesel consumption for vehicle fleet	NR	NR	129.2
Due to gasoline consumption for vehicle fleet	NR	NR	76.9
Due to petrol consumption for heating	173.3	160.6	236.7
Indirect (Scope 2) Greenhouse gas emissions			
Due to electricity consumption	1,513.3	2,213.5	2,198.9
TOTAL	**1,686.6**	**2,374.1**	**2,641.7**

Data refer to all buildings of INTRALOT S.A.
Sources of conversion factors: GHG Protocol GHG emissions from transport or mobile sources Calculation Tool v2.6 May 2015 (Diesel, Gasoline), GHG Protocol GHG emissions from stationary combustion Calculation Tool V 4.1 May 2015 (Heating Petrol), IEA - CO_2 Emissions from Fuel Combustion 2016 edition 1 (Electricity)
NR = Not reported

Using environmentally friendlier refrigerants

The Company mainly utilizes chlorofluorocarbons (CFCs) free refrigerants to cool its servers, use in air-conditioning (R407 and R410) and fire suppression systems, as well as for its coolers, in order not to harm the ozone layer (as they correspond to a lower Ozone Depleting Potential - ODP).

Air Travel

INTRALOT strives to reduce the impact of its business operations on climate change. Because the climate impact of air transportation is currently not sufficiently regulated by national or international laws, the Company voluntarily commits to minimize air travel and travelled air miles. Therefore, INTRALOT:

- Uses other modes of regional travel, where possible.
- Utilizes remote session technologies (such as Skype, WebEx and conference calls), in order to reduce the number and frequency of business travels.
- Extensively uses e-learning training programs.
- Monitors the number of flights and greenhouse emissions due to employee air travel.
- Combines trips and activities, in order to minimize the number of flights required.
- Uses the most direct routes possible, since take-offs and landings increase the amount of fuel consumed.
- Prefers to utilize flights during the daytime, because relevant studies have showed that flying during nighttime increases the overall environmental impact.
- Encourages employees to fly economy seats, because more people per plane mean fewer emissions per person.
- Encourages employees not to carry heavy baggage during flights, because lighter planes mean less fuels consumed.

Air miles and CO_2 emissions from air travel

	2015	2016	2017
Flights (number)	783	810	727
Long flights (>4 hours)	180	320	172
Short flights (<4 hours)	603	490	555
Travelled air miles (thousand miles)	1,101.5*	849.9*	773.9
CO_2 emissions (indirect emissions) (tons)**	**549.6**	**585.1**	**492.8**

*Travelled air miles for 2015 and 2016 have been restated.
**Estimations based on ICAO Carbon Emissions Calculator and EPA 430-R-08-006.

Carbon dioxide emissions from air travel reduced by 15.7%

Promoting environmental awareness

INTRALOT seeks to promote environmental protection issues and encourages initiatives that relate to environmental protection. Therefore, the Company:

- Implemented the internal awareness campaign 'Going Green at the Office' to reduce energy consumption and waste, reuse paper and other materials (e.g. food and beverage containers), as well as recycle paper, metal, glass, plastic and domestic batteries, which was effectively communicated to all employees during 2017.

- Includes the use of a dedicated reminder in corporate e-mail signatures to consider the environment before printing an e-mail.
- Briefs newly hired employees on recycling through the Corporate Induction Program.
- Supports the activities of its Corporate Volunteer Group, which was created in 2005 and actively engages in various programs and initiatives with Stakeholders and the wider public on environmental protection issues. The Corporate Volunteer Group has created the GREEN SITE, an electronic platform that supports their mission and publicizes their activities.

Protecting biodiversity

Due to its negligible influence of activities and operations on biodiversity, INTRALOT does not have a separate policy on biodiversity. However, the Company takes this important environmental issue into consideration, as:

- All buildings are located in established industrial or residential areas, with no facilities located near protected NATURA or RAMSAR areas.
- All operation sites are not located near ecosystems and habitats or other areas of high biodiversity value outside protected areas.
- There are no IUCN Red List species and national conservation list species with habitats in areas affected by operations.

Responsible Gaming

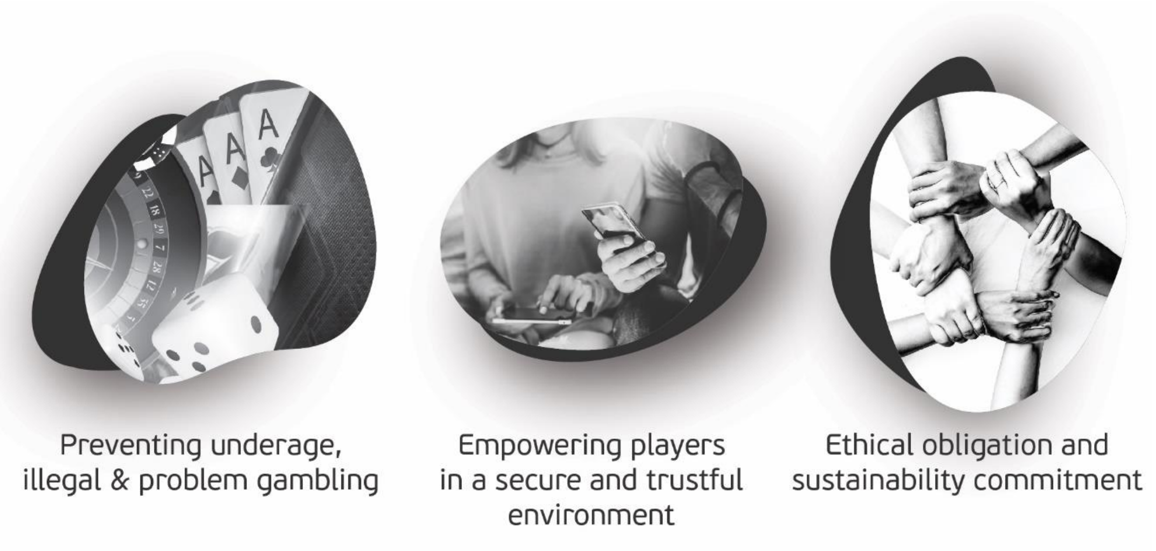
Responsible Gaming is a concept according to which gaming operators, technology and software suppliers and associated service providers need to ensure that their products and services provide a fair and safe gaming experience that enables players to be protected from the adverse consequences of gaming. Whether players buy a lottery or scratch ticket, place their bets, play bingo or on a gaming machine or casino game, players have to view their activity as a form of entertainment in a balanced way. Thus, Responsible Gaming means that operators must aim to keep their games and gaming services profitable and reliable while, at the same time, ensure that all steps are taken to eliminate excessive behavior and protect vulnerable groups, which include:

- Individuals under legal age of play.
- Individuals with low income.
- Retailers, lottery employees and contractors.
- Individuals with a gaming addiction.
- Individuals with other psychiatric disorders, such as substance abuse and alcoholism.
- Individuals with a family history of problem gaming.
- Individuals not aware of risks of problem gaming.

Besides being an ethical and a regulatory requirement, Responsible Gaming is a business imperative for gaming companies, who are required to comply with applicable Responsible

Gaming frameworks and implement specific measures and procedures to protect society and Stakeholders.

RESPONSIBLE GAMING APPROACH



An ethical & regulatory requirement expected by our Customers & by society in general

As an Associate member of WLA, INTRALOT abides by the WLA Responsible Gaming Framework, whose purpose is to integrate the Responsible Gaming Principles into the day-to-day operations of member lotteries. The Framework consists of:

- The 7 Responsible Gaming Principles, to which WLA members commit themselves to:
  - Meet their objectives while, at the same time, protect their customers' and vulnerable groups' interests and uphold their respective commitments within their own jurisdiction.
  - Ensure their practices and procedures reflect a combination of government regulations, operator self-regulation and individual responsibility.
  - Develop their practices concerning Responsible Gaming on the best possible understanding of relevant information and analysis of documented research.
  - Work with Stakeholders to share information, develop research and promote Responsible Gaming as broadly as possible and encourage a better understanding of the gaming's social impact.
  - Promote Responsible Gaming in all activities, including development, sale and marketing of their products and other activities and ensure the same on behalf of their agents.
  - Provide information to public in an accurate and balanced manner, in order to enable informed choices about gaming activities within their jurisdiction.
  - Monitor, test, and revise as appropriate the activities and practices related to Responsible Gaming and publicly report their findings.

- The 10 Responsible Gaming Framework program elements, which are described below:

Responsible Gaming Framework Program Elements

Element	Description
Stakeholder Engagement	Identify, understand and integrate interests of decision- makers, decision influencers and other society members into key Responsible Gaming related business decisions and Responsible Gaming program development.
Reporting and Measurement	Measure and report on lottery's commitments, actions and progress on Responsible Gaming to relevant internal and external Stakeholders.
Research	Support and/or conduct, integrate and disseminate Responsible Gaming related research.
Employee Program	Ensure and support efficient and effective application of Responsible Gaming principles by all relevant employees.
Retailer Program	Ensure and support efficient and effective application of Responsible Gaming principles by retailers and their front-line employees.
Game Design	Apply evidence-based Responsible Gaming considerations to design, selection and introduction of new lottery and gaming products.
Remote Gaming Channels	Ensure that interactive remote gaming platforms have safeguards in place that protect players.
Advertising and Marketing Communications	Ensure continuous improvement of responsible marketing and communications practices and application of regulatory codes.
Player Education	Support, integrate and disseminate information related to good practices in responsible play ('informed player choice') and treatment referral.
Treatment Referral	Offer support, guidance and referral to specialized services to customers with potential or actual gaming addiction problems, if needed.

Since 2014, INTRALOT S.A. holds the Certificate of alignment with the criteria set in the Responsible Gaming Certification Standards for Associate members, following an in-depth independent assessment performed on its products and services and Responsible Gaming practices communicated to lottery customers by TÜV NORD, the WLA approved assessor. In 2018 INTRALOT renewed its "WLA Certification of Alignment" with the Responsible Gaming Framework through July 2021.

Ethics – Code of Conduct

Integrating responsibility in our everyday operations

The importance of responsible operation is embedded in the way INTRALOT is managed, as the Company adopts internal rules and regulations to govern its daily operations, such as the Internal Regulation Charter, the Code of Corporate Governance and the Code of Conduct, while at the same time, INTRALOT is committed to comply with the respective legislation in all countries of operations.

Internal Regulation Charter: The Company's Internal Regulation Charter regulates the structure of INTRALOT's Divisions, their responsibilities and the relationship with each other and with INTRALOT's management. Its primary objective is to ensure compliance with the provisions of the applicable legislation (such as the Law 3016/2002 on corporate governance, the Law 2190/1920 on public limited companies and the Law 3340/2005 on the capital market protection). The Charter defines the responsibilities, duties and obligations of each statutory body, under the provision of the Company's Articles of Association and the applicable legislation, and is binding for anyone who provides services to the Company, regardless of its nature and legal relationship, such as:

- The Board of Directors.
- The Group Chief Executive Officer, the Deputy Group Chief Executive Officers and all Division Directors, Department Managers and Supervisors.
- All employees with any type of employment relationship.
- All partners who provide their services through an independent services contract.

Code of Corporate Governance: INTRALOT has its own Code of Corporate Governance, which documents the practices of corporate governance undertaken by the Company both on its own initiative and according to the relevant legislation (such as Laws 2190/1920, 2778/1999, 3016/2002, 3693/2008 and 3884/2010). The Code is aligned with the Principles of OECD Corporate Governance as published in 2004 and the Code of Corporate Governance for the Listed Companies of the Hellenic Federation of Enterprises (SEV), as well as generally accepted corporate governance principles applied by European Union countries. The Code is posted on the corporate website (www.intralot.com) and its main goals are:

- To define corporate governance practices.
- To assure transparency in its operations and management procedures.
- To improve information sharing with shareholders.
- To comply with the requirements of the relevant legislation and regulatory framework.

The Code of Conduct has been communicated to all the employees

Code of Conduct: The Company's Code of Conduct defines the way its managers and employees behave, maintain respect of laws and regulations and foster relationships of trust with Stakeholders, business partners and other third parties and constitutes a statement of its principles on the following issues:

- Purpose.
- International Business Conduct.
- Information Security Policy Compliance.

- Social Media.
- Confidential Information.
- Protection and Use of Company Assets and Resources.
- Competition and Fair Dealing.
- Conflict of Interest.
- Corporate Opportunities – Inventions.
- Giving or Accepting Business Courtesies.
- Integrity/Probity.
- Corporate Travel Policy.
- Information and Technology Resources.
- Relationships with Suppliers.
- Relationships with Clients.
- Relationships with Competitors.
- Environment.
- Health and Safety.
- Equal Employment Opportunity and Harassment Policies.
- Alcohol and Drugs.
- Violence Prevention.
- Reporting a Breach of the Code of Conduct.

There were no reports or complaints for violations of the code of conduct.

It must be noted that:

- The Code of Conduct is available on the corporate intranet portal (where all employees have access) and has been communicated to all employees, including all new employees who receive the Code via email.
- The Code of Conduct is incorporated in all employees' employment contracts and their signature is considered as acknowledgement and acceptance of the Code's principles and provisions.
- All managers and employees despite contract type (permanent and temporary) and hierarchical level of INTRALOT Group, its subsidiaries and controlled affiliates are required to comply with the Code of Conduct at all times and everyone is expected to behave and conduct his/her business in line with this Code without any exception.
- In case there are any questions related to the Code of Conduct, employees can direct them to the Human Resources Department.
- In case anyone suspects that they have or may have a conflict of interest or something that others could reasonably perceive as a conflict of interest, they must report it to their Supervisor or their Director, who will discuss with the employee to determine whether he/she actually has a conflict of interest and, if so, how to best address it. No such cases have been reported within 2016.

HUMAN RESOURCES

Our Best Asset

Acknowledging the importance of Human Resources as the most important asset and competitive advantage of any Company, the policies pursued, and the initiatives undertaken by INTRALOT and its subsidiaries abroad, aim at effectively attracting, enhancing, motivating and retaining talent. The continuous efforts and contribution of all INTRALOT employees as well as their unceasing trust and support of its shareholders remain a key factor in the advancement of the Company's competitiveness and further growth. The Company undertakes to provide its employees with a working environment that will constantly develop their capabilities and enhance their performance through reward and recognition schemes, always in accordance with the principles that govern the Group.

From an HR perspective, 2018 has been a year of disseminating HR systems and policies to the subsidiaries, focusing on resourcing campaigns and processes, increasing and upgrading our Technology personnel, and motivating our people with various corporate initiatives.
At HQ and Subsidiaries level, the total turnover rates were at the range of 16%, while the people who joined reached 21% of the total personnel base. For the selection of human resources, high recruitment standards and processes have been followed.

Training and Development

In 2018, our efforts have been focused on internal promotions and training. 4% of our people were internally promoted, while 7 persons have been assigned to new international projects and positions around the globe.

INTRALOT's Performance Management System and 360 feedback process was implemented for all personnel at Headquarters and has been implemented to all our major subsidiaries. The aim of the performance system is to foster a highly-engaged workforce aligned with the Organization's goals and values. It is comprised of individual goals (metrics) and role-based competencies and results in targeted, individual development plans.

In terms of Training, great emphasis was placed on specialized training mainly through e-learning platforms, detailed induction and one-to-one onboarding programs for newcomers. Indicatively, at Headquarters level, 13.000 manhours of training was delivered, out of which 50% of which on e-learning programmes, while 98,5% of all personnel attended the induction programmes.

For the first time, an internal Hackathon was organized for INTRALOT personnel.

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 financial position. 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 management means maintaining adequate liquidity, funding ability through approved credit limits, and ability to repay liabilities. The Group has established specific policies to manage and monitor its liquidity in order to continuously have sufficient cash and liquid non-core assets that can meet its obligations. In addition, the Group has set up a system of monitoring and constant optimization of its operating and investing costs in the framework of its liquidity management policies.

Further analysis of the maturity of the financial liabilities of the Group is provided in note 2.33 of the annual financial statements.

Market Risk

1) Foreign Exchange risk

Fluctuations in exchange rates can have significant effects on the Group's currency positions. Group transactions are carried out in more than one currency and therefore there is a high exposure in foreign exchange rate fluctuations against the euro, which is the main underlying economic currency. On the other hand, the Group's activity abroad also helps to create an advantage in foreign exchange risk management, due to the diversification in the currency portfolio. This kind of risk mainly results from commercial transactions in foreign currency as well as investments in foreign entities. For managing this type of risk, the Group enters into derivative financial instruments with various financial institutions, such as foreign currency hedging for receipts of foreign currency dividends by abroad subsidiaries. The Group's policy regarding the foreign exchange risk concerns not only the parent company but also the Group's subsidiaries.

Further analysis of the sensitivity analysis on foreign exchange variations and currency hedging derivatives is provided in note 2.33 of the annual financial statements.

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 31 December 2018, taking into account the impact of financial hedging products, approximately 97% of the Group's borrowings are at a fixed rate (2017: 99%) with an average life of approximately 5 years. As a result, the impact of interest rate fluctuations in operating results and cash flows of the Group's operating activities is small.

Further analysis of the sensitivity analysis of the Group's loans to interest rate changes is provided in note 2.33 of the annual financial statements.

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 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 (31/12/2018: aprroximatelly 3,32), and will be able to incur additional senior debt so long as on a pro forma basis its consolidated senior leverage ratio is not more than 3,75 (31/12/2018: approximately 4,71). Furthermore to the above, the Group can incur additional debt from specific baskets. If new debt is added to INTRALOT's existing debt levels, the risks associated with its high leverage described above, including its possible inability to service its debt, will increase.

Further analysis of the Group's leverage is provided in note 2.33 of the annual financial statements.

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 operates and offers its products and services in many countries, actively operating in rapidly growing and emerging markets. Potential 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 ability to conduct its business and expand its activities in these markets. Although management believes its operations in Turkey have not been affected, there can be no assurances such events will not have an impact in the future.

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.

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		Expense	
	01/01/2018-31/12/2018	01/01/2017-31/12/2017	01/01/2018-31/12/2018	01/01/2017-31/12/2017
Intracom Holdings Group	184	344	4.933	5.329
Hellenic Lotteries S.A.	7.227	6.450	0	0
Lotrich Information Co LTD	4.747	1.944	0	839
Intralot de Peru SAC	3.021	2.316	0	1
Firich Enterprises Co LTD	0	0	25.953	306
Other related parties	427	763	4.114	1.503
Executives and members of the board	0	0	8.703	10.101
Total	**15.606**	**11.817**	**43.703**	**18.079**

Company	Income		Expense	
	01/01/2018-31/12/2018	01/01/2017-31/12/2017	01/01/2018-31/12/2018	01/01/2017-31/12/2017
Hellenic Lotteries S.A.	5.411	5.600	0	0
Intracom Holdings Group	0	0	4.792	5.049
Lotrich Information Co LTD	5.083	2.147	0	839
Intralot de Peru SAC	4.356	2.758	0	1
Intralot Nederland B.V.	1.209	573	-289	-354
Intralot Maroc S.A.	1.760	2.517	-82	-76
Maltco Lotteries Ltd	1.755	1.608	0	0
Intralot Finance UK LTD	0	0	13.953	13.079
Betting Company S.A.	427	9.901	1.591	1.553
Inteltek Internet AS	4.491	7.095	8	0
Azerinteltek AS	1.288	1.035	0	0
Intralot Global Operations B.V.	3.485	0	48	0
Intralot Do Brazil LTDA	1.546	1.546	-175	-164
Intralot Inc	6.472	5.745	20	217
Intralot Operations Ltd	1.495	209	0	0
Bilyoner Interaktif Hizmelter A.S.	6.915	4.450	0	0

Intralot Ireland LTD	1.254	1.358	0	0
Intralot Services S.A.	445	443	2.499	2.855
Ilot Capital UK LTD	0	0	1.624	1.445
Ilot Investments UK LTD	0	0	1.624	1.445
Intralot Gaming Services PTY LTD	3.784	3.931	7	0
Other related parties	3.200	3.923	4.847	-51
Executives and members of the board	0	0	5.712	5.145
Total	**54.376**	**54.839**	**36.179**	**30.983**

Group (total operations)	**Receivable**		**Payable**	
	31/12/2018	**31/12/2017**	**31/12/2018**	**31/12/2017**
Intracom Holdings Group	7.721	8.287	4.131	17.098
The Players Group LTD	0	0	1.680	0
Lotrich Information Co LTD	2.573	952	0	0
Gamenet Group SpA	3.500	3.500	0	0
Turkcell Group	4	1	18	3.512
Other related parties	8.674	8.963	4.497	1.880
Executives and members of the board	23	0	456	452
Total	**22.495**	**21.703**	**10.782**	**22.942**

Company	**Receivable**		**Payable**	
	31/12/2018	**31/12/2017**	**31/12/2018**	**31/12/2017**
Intracom Holdings Group	5.919	6.412	3.477	16.369
Lotrich Information Co Ltd	2.573	952	0	0
Intralot Do Brazil LTDA	25.129	23.406	0	0
Intralot Operations Ltd	1.250	142	0	0
Intralot Holdings International LTD	0	1.267	0	0
Betting Company S.A.	801	908	3.380	1.408
Loteria Moldovei S.A.	1.513	1.511	0	0
Pollot Sp.zoo	3.896	3.827	0	0
Maltco Lotteries Ltd	1.419	1.503	0	0
LotRom S.A.	1.663	1.663	13.495	13.509
Intralot Inc	20.307	16.361	226	468
Intralot Dominicana S.A.	0	2.117	0	0
Intralot Finance UK LTD	0	0	235.117	190.164
Intralot Beijing Co LTD	0	0	1.949	2.349
Intralot Services S.A.	2.166	1.633	2.578	2.076
Ilot Capital UK LTD	0	0	25.632	21.008
Ilot Investments UK LTD	0	0	25.632	21.008
Intralot Chile SpA	2.047	4.342	0	-7
Inteltek Internet AS	1.504	2.732	0	0
Intralot Gaming Services PTY LTD	3.477	3.531	9	0
Intralot Maroc S.A.	2.070	1.082	0	0
Totolotek S.A.	1.326	1.032	0	0
Intralot Betting Operations Russia Ltd	1.105	1.105	0	0
Intralot Global Operations B.V.	3.490	0	53	0
Other related parties	11.238	13.231	3.982	1.267
Executives and members of the board	0	0	220	222
Total	**92.893**	**88.757**	**315.750**	**269.841**

From the company profits in 2018, €11.426 thousand (2017: €21.330 thousand) refer to dividends from the subsidiaries Inteltek Internet AS, Bilyoner and 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 1/1/2018-31/12/2018 were €8,7 million and €5,7 million respectively (2017: €10,1 million and €5,1 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:

- Net sales after winners payout (GGR)
- Adjusted EBITDA,
- Adjusted Net Debt,
- Adjusted free cash flow, and

Net Sales after winners' payout (GGR)

The "Net Sales after winners' payout (GGR)" are calculated by subtracting the "Pay out" from "Sale proceeds". The relevant calculations are illustrated below:

	GROUP	
	1/1-31/12/2018	**1/1-31/12/2017**
Sale proceeds	870.833	930.595
Winners Pay out	-413.875	-421.945
Net sales after winners payout (GGR)	**456.958**	**508.650**

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".

Net Debt (adjusted)

The adjusted net debt is defined as the net debt except for the discontinued operations of the Group in Azerinteltek AS. The relative calculations are presented below:

	GROUP	
	31/12/2018	**31/12/2017** [1]
Long-term debt	735.297	727.988
Long-term payable from finance leases	1.797	1.389
Short-term debt	38.929	17.927
Short-term payable from finance leases	1.726	1.418

Total debt	**777.749**	**748.722**
Cash and cash equivalents	-162.461	-238.041
Net debt	**615.288**	**510.681**
Discontinued operations debt	0	0
Discontinued operations cash and cash equivalents	0	7.535
Net debt (adjusted)	**615.288**	**518.216**
EBITDA from continuing operations	**116.532**	**151.045**
Leverage	**5,28**	**3,43**

[1] The Net Debt 31/12/2017 has been adjusted to exclude the balances of Group discontinued operations in Azerinteltek AS.

EBITDA

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

Reconciliation of operating profit before tax to EBITDA (continuing operations):	**GROUP**	
	1/1-31/12/2018	**1/1-31/12/2017**
Operating profit/(loss) before tax	**-2.162**	**-10.283**
Profit/(loss) to net monetary position	130	0
Profit/(loss) equity method consolidation	18.309	3.412
Foreign exchange differences	-8.136	5.733
Interest and similar income	-8.122	-6.887
Interest and similar expenses	50.404	69.951
Income / (expenses) from participations and investments	-18.396	24.064
Gain / (loss) from assets disposal, impairment loss and write-off of assets	19.283	2.278
EBIT	**51.310**	**88.268**
Depreciation and amortization	65.222	62.777
EBITDA	**116.532**	**151.045**

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 1/1-31/12/2018	GROUP 1/1-31/12/2017
EBITDA	**116.532**	**151.045**
"Proportionate" EBITDA of the Group	77.305	102.714
"Proportionate" EBITDA of the most important associates and other companies of the Group	29.418	23.729
Adjusted EBITDA	**106.723**	**126.443**

Adjusted free cash flows

The "Adjusted free cash flows" are defined as the EBITDA of the Group, subtracting the "Maintenance Capital Expenditure", the "Income tax paid", the "Interest and similar expenses paid" (except "Refinancing costs paid" included in "Interest and similar expenses paid"), the "Interest received", the "Dividends received" and "Dividends paid". The aforementioned amounts relate to Group's continuing operations (excluding discontinued operations in Azerinteltek AS, Favorit Bookmakers Office OOO, Intralot Caribbean Ventures Ltd, Supreme Ventures Ltd and Slovenske Loterie AS). As "Maintenance Capital Expenditure" is defined the cash outflow to acquire tangible and intangible fixed assets associated with existing Group projects in order to maintain, replace or upgrade the Group's Gaming Technology Equipment as required to maintain gaming systems in good operating mode during each contract. "Refinancing costs paid" are defined as the redemption premium and the tender offer premium and the issue costs of bank loans. The relevant calculations are presented below:

(continuing operation)	GROUP 1/1-31/12/2018	GROUP 1/1-31/12/2017
EBITDA	**116.532**	**151.045**
Maintenance Capital Expenditure	-19.850	-21.319
Income tax paid	-14.514	-24.515
Interest and similar expenses paid	-48.794	-51.383
Refinancing costs paid	1.692	9.175
Interest received	5.394	6.031
Dividends received	7.958	2.377
Dividends paid	-31.640	-31.000
Adjusted free cash flows	**16.778**	**40.411**

Reconciliation with Group Cash Flow Statement:

GROUP 1/1-31/12/2018	Total Operations	Discontinued Operations	Continuing Operations
Income tax paid	-23.959	-9.445	-14.514
Interest and similar expenses paid	-48.835	-41	-48.794
Interest received	5.614	220	5.394
Dividends received	7.958	0	7.958
Dividends paid	-36.317	-4.677	-31.640

GROUP 1/1-31/12/2017	Total Operations	Discontinued Operations	Continuing Operations
Income tax paid	-36.148	-11.633	-24.515

Interest and similar expenses paid	-51.761	-378	-51.383
Interest received	6.762	731	6.031
Dividends received	2.377	0	2.377
Dividends paid	-38.621	-7.621	-31.000

From the information stated above and from the Financial Statements you are able to have a complete picture of the Group for the year 1/1/2018-31/12/2018.

Maroussi, 15/4/2019

Sincerely,

Chairman of the Board of Directors and Group CEO

Sokratis P. Kokkalis

Explanatory Report on Article 4 par. 7 & 8 of L. 3556/2007

1. Share capital structure.

The share capital of the Company amounts today to forty seven million eighty eight thousand five hundred sixteen euro and thirty cents (€47.088.516,30) divided by one hundred fifty six million nine hundred sixty one thousand seven hundred twenty one (156.961.721) nominal shares at thirty cents (€0,30) each. All Company shares are introduced to the Athens Stock Exchange for negotiation, in the Mid-Capitalization category, under "Gaming Sector". Company shares are common registered shares with a voting right.

2. Restrictions on company share transfer.

Transfer of Company shares is made in accordance with the law, and the Company Statute contains no restrictions on transfer.

3. Major direct or indirect participation pursuant to the Articles 9 to 11 of L. 3556/2007

Socratis Kokkalis owned 20,26% of the corporate share capital as of 31/12/2018.

Mittleman Brothers LLC as of 31/12/2018 owned directly or indirectly and represented voting rights of 10,216% of the corporate share capital.

Konstantinos Dimitriadis owned 6,918% of the corporate share capital as of 31/12/2018.

INTRALOT S,A. as of 31/12/2018 hold treasury shares representing 5,861% of the corporate share capital.

All other natural or legal person / entity own no more than 5% of the corporate share capital.

4. Shareholders with special control rights (all types of shares).

Corporate shares, which confer special control rights to their holders, have not been issued.

5. Restrictions on the voting right.

The Company Statute does not provide for restrictions on the voting right.

6. Agreements between Company Shareholders.

The Company has no notion of agreements between its shareholders that may result in restrictions both on share transfer and on the exercise of the related voting rights.

7. BoD members' appointment rules and replacement; Statute amendments.

The rules of the Company Statute concerning appointment and replacement of corporate BoD members, as well as amendments in the Statute provisions, are conformed with Codified Law 2190/1920.

8. BoD or BoD member responsibility for the issuance of new shares or the purchase of treasury shares.

Intralot BoD is responsible for issuing new shares in the following cases:

a. According to article 5 § 2, 3 and 4 of the corporate Statute:

> *«2. Without prejudice to §3 hereof, following relevant authorization by the General Assembly, and the decision of the Board of Directors by a two third (2/3) majority, the Board of Directors is entitled to increase share capital in part or in whole by issuing new shares; the*

corresponding amount cannot exceed the capital paid-up at the date when the BoD was authorized. The above resolution of the General Assembly is subject to the publication obligations referred to in article 7b of the Codified Law 2190/20.
The above authorization of the BoD may be renewed by the General Assembly for an interval not exceeding five years for each renewal; its term starts upon termination of the previous 5-year interval.

3.Notwithstanding the provisions of the previous paragraph, if corporate reserves exceed one fourth (1/4) of the paid-up share capital, an increase of capital necessitates a resolution by the General Assembly extraordinary quorum and majority under article 15 hereof, and the relevant amendment of this article.

4.Increases of capital that are decided pursuant §2 hereof, do not constitute an amendment to the Statute.»
The above right has not been conferred to the corporate BoD.

b. In the cases referred to in article 13 § 13 of the Codified Law 2190/1920 (stock options right) and in accordance with the article 7 § 3 last quotation of Articles of Association (grant stock option rights).

In any case of increase of the share capital that is not made by contribution in kind or issue of bonds with a right of their conversion into shares, a right of preference on the whole new capital or bond loan is granted, in favor of the shareholders at the time of issue, in proportion to their participation in the existent share capital.

The right of preference is exercised within the deadline, which was determined by the company body that decided the increase. This deadline with the reservation of observing the deadline for capital payment, as it is provided for in article 11 of the Codified Law 2190/1920, cannot be less than fifteen (15) days. In the case of section 6, article 13 of the Codified Law 2190/1920, the deadline for the exercise of the right of preference does not begin before the resolution taken by the Board of Directors for the determination of the disposal price of the new shares. After the expiry of these deadlines, the shares that have not been undertaken according to the above are freely disposed by the Board of Directors of the company at a price not less than the price paid by the existent shareholders. In case that the company body that decided the increase of the share capital omitted to fix the deadline for the exercise of the right of preference, this deadline or its possible extension is fixed by the Board of Directors by its resolution within the time limits prescribed by article 11 of the Codified Law 2190/1920.

The invitation for the exercise of the right of preference, in which the deadline within which this right should be exercised should be also mentioned, is published on the company's initiative in the Issue of Societes Anonyme and Limited Liability Companies of the Official Gazette. With the reservation of section 6, article 13 of the Codified Law 2190/1920, the invitation and the notification of the deadline for the exercise of the right of preference, according to the above, may be omitted, should at the General Meeting shareholders be present who represented the whole share capital and be informed of the deadline set for the exercise of the right of preference or who have stated their decision for the exercise or not by them of the right of preference. The publication of the invitation may be replaced by registered "upon receipt" letter, should all shares be registered.

By a resolution of the general meeting taken pursuant to the provisions of sections 3 and 4, article 29 and section 2, article 31 of the Codified Law 2190/1920, the right of preference of section 7 of the Codified Law 2190/1920 may be restricted or abolished. In order to take this decision, the Board of Directors is obliged to submit to the general meeting a written report, in which the reasons that impose the restriction or abolishment of the right of preference are mentioned and in which the price proposed for the issue of the new shares is justified. The resolution of the general meeting falls under the formalities on publication of article 7b of the Codified Law 2190/1920. There is no exclusion from the right of preference according to the *meaning of this paragraph, when the shares are undertaken by credit institutions or enterprises of rendering investment services, which have the right to accept securities for custody, in order to be offered to the shareholders pursuant to section 7 of the Codified Law 2190/1920. Moreover, there is no exclusion from the right of preference, when the capital increase aims at the staff participation in the company's capital according to the presidential decree 30/1988 (Official Gazette 13 A').*

The capital may be increased partly by contributions in cash and partly by contributions in kind. In this case, a provision of the body that decides the increase, according to which the shareholders that contribute in kind do not participate also in the increase by contributions in cash, does not constitute exclusion of the right of preference. If the proportion of the value of the contributions in kind, in relation to the total increase, is at least the same with the proportion of the participation in the share capital of the shareholders who proceed to these contributions. In case of increase of the share capital by contributions partly in cash and partly in kind, the value of the contributions in kind should have been assessed pursuant to articles 9 and 9a of the Codified Law 2190/1920 before taking the relevant decision.

By a resolution of the general meeting taken pursuant to the provisions of sections 3 and 4, article 29 and section 2, article 31 of the Codified Law 2190/1920, a program can be set for share disposition to the members of the Board of Directors and the staff of the company, as well as of the associated with it companies according to the meaning of section 5, article 42e of the Codified Law 2190/1920, in the form of option for acquiring shares, according to the conditions of this resolution, a summary of which falls under the formalities of publication of article 7b of the Codified Law 2190/1920. Persons that render to the company services on a regular basis may be also appointed as beneficiaries. The nominal value of the shares disposed according to this paragraph cannot exceed totally the one tenth (1/10) of the capital, which is paid up on the date of the resolution of the general meeting. The resolution of the general meeting provides for if for the satisfaction of the right of preference the company will proceed to increase of its share capital or if it will use shares that it acquires or has acquired pursuant to article 16 of the Codified Law 2190/1920. In any case, the resolution of the general meeting should determine the maximum number of shares that may be acquired or issued, if the beneficiaries exercise the above right, the price and conditions of share disposition to the beneficiaries, the beneficiaries or their classes and the method of determination of the acquisition price, with the reservation of section 2, article 14 of the Codified Law 2190/1920, the program duration as well as any other relevant condition. By the same resolution of the general meeting, the determination of the beneficiaries or their classes may be assigned to the Board of Directors as well as the way of exercising the right and any other condition of the share disposition program. The Board of Directors, according to the program conditions, issues to the beneficiaries who exercised their right certificates of entitlement to share acquisition and, per calendar quarter at most delivers the shares already issued or issues and delivers the shares to the above beneficiaries, increasing the share capital of the company, and it certifies the capital increase. The resolution of the Board of Directors for the certification of payment of capital increase is taken per calendar quarter, notwithstanding those prescribed in article 11 of the Codified Law 2190/1920. These increases of the share capital do not constitute modifications of the articles of association, and sections 7 to 11 of the article 13 of the Codified Law 2190/1920 do not apply on these. The Board of Directors is obliged during the last month of the corporate year, within which capital increases took place, according to those prescribed above, to adjust by its resolution the article of the articles of association on capital, so that the capital amount be provided for, as it resulted following above increases, observing the formalities on publication of article 7 b of the Codified Law 2190/1920.

The general meeting, by its resolution taken pursuant to the provisions of sections 3 and 4, article 29 and section 2, article 31 of the Codified Law 2190/1920 and fallen under the formalities on publication of article 7b of the Codified Law 2190/1920, may authorize the Board of Directors to set a share disposition program according to the previous paragraph, possibly increasing the share capital and taking all other relevant decisions. This authorization is valid for five (5) years, unless the general meeting determines a shorter period of its validity and it is independent of the powers of the Board of Directors of section 1, article 13 of the Codified Law 2190/1920. The resolution of the Board of Directors is taken under the conditions of section 1, article 13 of the Codified Law 2190/1920 and under the restrictions of section 13, article 13 of the Codified Law 2190/1920.

c. Pursuant to the Codified Law 2190/1920 and specifically article 16 of the above mentioned law company may acquire treasury shares.

INTRALOT S.A., according to article 16, Law 2190/1920, article 4.1.4.2. of the regulation of ATHEX and based on the resolution of the Shareholder's Annual General Meeting which took place on the 16.05.2018, has approved a buy-back program of up to 10% of the paid share capital, for the time period of 24 months with effect from 16.05.2018 and until 16.05.2020, with a minimum price of €0,30 and maximum price of €12,00. It has also 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 twelve months of 2018, the Company purchased 9.218.779 treasury shares (5,87% of the Company's share capital) at an average price of €0,93 per share, totalling €8.589 thousand.
On 31/12/2018 the Company holds 9.200.033 treasury shares (5,86% of the corporate share capital) with average price €0,93 per share and a total purchase price of €8.528 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.

9. Key agreement by the Company, which becomes effective, is amended or terminated in case the Company control changes hands following a public offer, and the results of such agreement.

There is no such agreement.

10. Any agreement between the Company and members of its BoD or its personnel providing for indemnification in case of non-well founded resignation or dismissal or termination of mandate/ employment due to a public offer.

There are no agreements between the Company and members of its BoD or its personnel providing for indemnification in case of non-well founded resignation or dismissal or termination of mandate/ employment due to a public offer.

CORPORATE GOVERNANCE STATEMENT

I. Reference to the Corporate Governance Code the Company is subject to and the location where this Code is available to the public.

INTRALOT (hereinafter "the Company"), is a Société Anonyme whose shares are listed in the Athens Stock Exchange.

This Corporate Governance Statement constitutes special part of the Annual Report of the Board of Directors, according to the provisions of par. 2 of article 2 of Greek Law 3873/2010 and art 43 bb of C.L. 2190/1920, as such was added with article 2 of Law 4403/2016, Government Gazette A 125/7.7.2016 (Article 20 of the Directive 2013/34/EC and paragraph 2 article 1 of Directive 2014/95/EC), as it was in force until 2018. It is noted that from 01/01/2019 the new Law 4548/2018 is applied as amended and in force. Since the reporting date is the fiscal year

01/01/2018-31/12/2018 the references to the provisions of the Law of the Societes Anonymes are in accordance to the provisions of the C.L. 2190/1920.

The Company is fully compliant with the relevant national laws, provisions and regulations, as well as with its internal corporate values regarding the development of the principles of corporate governance it applies, and adjusted to what is defined by the institutional framework for corporate governance.

The meeting of 16/03/2011 of the Board of Directors approved the Corporate Governance Code, as amended and in force from the meeting of 08/03/2012 of the Board of Directors to be found posted on the Company website www.intralot.com along with its English translation.

II. Reference to corporate governance practices applied by the Company in addition to provisions of the law, and reference to the location where they are published.

INTRALOT, in addition to the provisions of the Greek law included in particular in Laws 2190/1920, 3016/2002, 3693/2008, 3884/2010 and 3873/2010, 4403/2016 and 4449/2017 and document no. 1302/28.4.2017 of the Hellenic Capital Market Commission addressed to listed companies. in drafting the Corporate Governance Code posted as applicable on the Company's website www.intralot.com, has considered and incorporated in its Code, and applies the best international practices for listed companies and the Principles of Corporate Governance of OECD.

III. Description of the main attributes of the Company's and the companies included in the consolidated financial statements taken as a total, internal audit and risk management systems, in relation to the process of financial reports drafting.

- The BoD maintains an effective internal audit system whose purpose is to safeguard the investments and assets of the Company and to identify and resolve major risks. The internal audit system is defined as the set of procedures implemented by the Board of Directors, the Management and the employees of the Company, and aims to ensure the effectiveness and efficiency of corporate operations, the accuracy of financial reporting and the compliance with applicable legislation and regulations.
- The Board of Directors monitor and regularly review the implementation of corporate strategy. At the same time, it should regularly review the main risks faced by the company and the effectiveness of the internal audit system regarding the management of said risks. The review should comprise all vital audits, including financial and operational audits, compliance testing and the monitoring of risk management systems. The Board of Directors, through the Audit Committee, also develop direct and regular contact with external and internal auditors in order to receive regular updates from the latter in relation to the proper operation of the control system.
- The Board of Directors must certify in writing that the annual and interim financial statements reflect objectively the financial position of the company and the companies included in the consolidated financial statements taken as a total. This certification should follow the corresponding certification by the Company auditors.

- The Board of Directors is responsible for the presentation of all significant business risks related to the operation of the company and the companies included in the consolidated financial statements taken as a total, providing explanations where it deems necessary, in the preparation of annual and interim financial statements.
- The Internal Audit Service has been appointed in accordance with the requirements of the Greek legislation, has been sufficiently staffed and assesses the adequacy of internal controls. The Internal Audit Service is independent from other business units, and in the fulfillment of its duties, all documents, divisions and employees must be made available to it. The Internal Audit Service reports to the Audit and Compliance Committee of the Board of Directors. The Internal Audit Service operates in accordance with a program established by it and approved by the Audit and Compliance Committee and the Board of Directors and submits reports on a three months basis before the publication of financial information.
- The members of the Board of Directors, through the Audit and Compliance Committee and the Internal Audit Service, are ultimately responsible for ensuring the adequacy and effectiveness of the internal control system and the monitoring and supervision of its effective implementation. The Management of the Company is responsible for the development of a strategy for the Board of Directors as regards a secure internal control system.
- The Internal Audit Service should assist in the assessment of internal control practices, while adopting a systematic and professional approach to the evaluation and improvement of the effectiveness of risk management procedures, internal audit systems and corporate governance.

Specifically,

- Risks be identified and managed effectively.
- Resources (assets) of the Company be protected and used efficiently.
- Financial and management reporting be reliable, accurate and current.
- Employees comply with the policies, procedures and standards of the Company.
- Company conformance with the regulatory framework governing its operation.
- The Internal Audit Service, throughout the audit process, presents proposals aiming to continuously improve internal control systems in order to achieve high productivity and efficiency.

IV. Information demanded by the article 10 par. 1 of Directive 2004/25/EK of the European Parliament and Council.

The information demanded by article 10 par. 1 of Directive 2004/25/EK of the European Parliament and Council is included, according to article 4 par. 7 of L. 3556/2007, in the Explanatory Report which comprises part of the Annual Report of the Board of Directors.

V. Information regarding the function of the General Meeting of shareholders and its main authorities, description of shareholders' rights and of the manner they are exercised.

The Company's General Meeting of Shareholders is its supreme instrument and has the right to decide for all matters concerning the Company. Its legal decisions are binding for shareholders who are absent or in disagreement.

The General Meeting is singularly competent to decide over:

a) The Company's extension of duration, merger, dissolution, demerger, reorganization or restoration,

b) Amendments of the articles of associations

c) The increase or decrease of share capital, with the exception of cases where the Board of Directors is competent according to Law or the Articles of Association, and increases or decreases are dictated by provisions of other laws.

d) the election of members of the Board of Directors, with the exception of the case of article 22 of the Articles of Association regarding the election of members by the Board of Directors to replace resigned, deceased or members who lost their status, for the remainder of the term of the members who are being replaced, and provided that these members cannot be replaced by replacement members elected by the General Meeting.

e) The election of auditors

f) The approval of annual accounts (annual financial reports) and the appropriation of annual profit.

g) The appointment of liquidators

The General Meeting of the shareholders is convoked by the Board of Directors and assembles regularly at the Company's registered offices or in another Municipality within the Prefecture of the registered offices or other neighboring Municipality, at least once for every year of account and no later than the 10th day of the ninth month of the end of the year of account. The General Meeting may also assemble in the vicinity of the Municipality where the Athens Stock Exchange is headquartered. The Board of Directors may convene an Extraordinary General Meeting of shareholders when they deem appropriate.

The General Meeting, with the exception of repetitive meetings or those identifying with them, must be called at least twenty (20) clear days before the date of its meeting.

The invitation of the General Meeting must at least include the exact address of its location, the time and date of the meeting, a clear layout of items on the agenda, the shareholders entitled to participate, and precise instructions on how the shareholders may participate in the meeting and exercise their rights in person or by proxy. The invitation should at least also include information on the deadline for the exercise of minority rights, the record date, specifying that only persons who are shareholders on the record date are entitled to participate and cast a vote in the General Meeting, information on where the full documentation and the draft of resolutions to be proposed by the Board of Directors for every item on the agenda, and reference of the

Company website, where all above information is available, as well as the forms to be used for proxy voting.

The invitation to the General Meeting must be published in whole or in summary (not failing to refer expressly to the website address, where the full text of the invitation and the information specified in par. 3 article 27 of the Codified Law 2190/1920, are available), in the printed media defined by article 26. par. 2 of C.L. 2190/1920, in the Issue of S.A. and L.C. of the Greek Government Gazette and on the websites of the Athens Stock Exchange and the Company, at least twenty days prior to the day of the meeting.

Right to attend General Assemblies

A person must hold shareholder status on the beginning of the fifth day before the day of assembly of the General Meeting (record date).

A person may prove their shareholder status by presenting in writing relevant certification by the Hellenic Exchanges S.A., pursuant to article 51 of law 2396/96 or alternatively, by direct link of the company with the records of the above body. The relevant written certification or electronic authentication regarding shareholder status must be presented to the Company by the third day before the assembly of the General Meeting, at the latest.

Further to the above, exercising the right to attend the General Assembly is not subject to blocking the shares of the shareholder or complying with any other procedure binding to the ability to sell or transfer the shares in the period between the record date and the date of the General Assembly.

Shareholders or representatives of theirs not having complied with the above may only attend the General Assembly with its permission.

Shareholders with the right to participate in the General Assembly may be represented by a legally authorized person. Legal persons may participate in the General Assembly by appointing one to three natural persons as their representatives.

The company must be notified in writing for the appointment and revocation of a representative in the same manner, at least three (3) days prior to the date of the General Meeting. The Company should post on its website the forms shareholders must complete and present to the Company in order to appoint their representatives.

Quorum Majority

A quorum is present and validly convening on the items of the agenda at the General Meeting when at least twenty per cent (20%) of the fully-paid share capital is represented in the meeting.

If such quorum fails to be present in the first meeting, a repetitive meeting is held within twenty (20) days of the date of postponement, by invitation with notice of at least ten (10) days. In the repetitive meeting, a quorum is present and validly convening on items of the initial agenda, regardless of the segment of the fully-paid share capital represented in the meeting.

The decisions of the General Meeting are made by absolute majority of the votes cast in the Meeting.

With the exception of decisions regarding:

a) The extension of duration, merger, demerger, reorganization, restoration or dissolution of the Company, establishing or affirming the power of the Board of Directors to increase share capital

b) The change of the Company's nationality

c) The change of the Company's purpose

d) the increase or decrease of share capital, with the exception of increases per article 5 par. 2 of the articles of association where powers are delegated to the Board of Directors

e) The issuance of loan with convertible bonds or the right to share in profits according to articles 8 and 9 of Law 3156/2003

f) The increase of shareholders liability

g) The change in the manner of appropriation of profit

h) all other cases in which, by law, a quorum is present and validly convenes on the items of the agenda at the General Meeting, when shareholders representing the two thirds (2/3) of the fully-paid share capital are present in person or by proxy. In all of the above cases, decisions are made by a majority of two thirds (2/3) of the votes represented in the Meeting.

Should the above increased quorum not be present, the General Meeting is called and meets anew within twenty (20) days of the date of the postponed meeting, and a quorum is present and validly convening on the items of the initial agenda when at least half (1/2) of the fully-paid share capital is represented in the meeting. Should this quorum also fail to be present, the Meeting is convoked and meets anew within twenty (20) days, and a quorum is present and validly convening on the items of the initial agenda, when at least one fifth (1/5) of the fully-paid share capital is represented in the meeting.

No additional invitation is required, should the time and place of the repetitive meetings in case a quorum is not present, are defined in the initial invitation.

Rights of the Shareholders

Shareholders have the right to attend General Meetings in person or by proxy, shareholder or not. Each share entitles the owner to one vote.

Priority right

In case of increase of the Company's share capital, when that increase is not happening by contribution in kind or by issue of convertible bonds, priority rights for the entire new capital or the bond issue, are granted to the shareholders at the date of issue, proportionate to their holding in the existing share capital.

According to article 13 par. 10 of L. 2190/1920, priority rights may be limited or abolished, by decision of the General Meeting of Shareholders made by an increased quorum and majority, pursuant to the provisions of articles 29 par. 3 and 4 and 31 par. 2 of L. 2190/1920.

Minority rights

Following the request of shareholders representing one twentieth (1/20) of the paid up share capital, the Board of Directors is obligated to call an Extraordinary General Meeting of shareholders within forty five (45) days from the day that the relevant application is delivered to the chairman of the Board of Directors. The request should include the items of the agenda. Should the Board of Directors fail to call a General Meeting within twenty (20) days of the delivery of said application, the requesting shareholders may call a meeting at the expense of the company, after decision of the court of first instance with jurisdiction over the area of the Company's registered offices, issued during interim measures procedure. The time and place of the meeting, as well as the items of the agenda are defined in this decision.

Following the request of shareholders representing one twentieth (1/20) of the paid up share capital, the Board of Directors is obligated to record additional matters in the agenda of the General Meeting that has been called, provided the relevant application reaches the Board of Directors at least fifteen (15) days prior to the General Meeting. Pursuant to article 26 of C.L. 2190/1920, the Board of Directors is responsible for publishing or communicating additional matters at least seven (7) days prior to the General Meeting. Should these matters fail to be published, requesting shareholders are entitled to demand that the General Meeting be postponed pursuant to paragraph 3 article 39 of C.L. 2190/1920, and engage in the publication themselves as defined in the preceding paragraph, at the expense of the company.

Following the request of shareholders representing one twentieth (1/20) of the paid up share capital, the chairman of the meeting is obligated to postpone once the adoption of resolutions by an annual or extraordinary General Meeting, for all or certain items of the agenda, setting as date for the continuation of the meeting the date stated in the shareholders' request, which date cannot however be later than thirty (30) days from the date of postponement.
The General Meeting standing adjourned is a continuation of the previous meeting and the formalities of publication regarding the shareholders' invitation to it need not be repeated, while new shareholders may participate to it, subject to the provisions of articles 27 par. 2 and 28 of L. 2190/1920.
Company shareholders representing at least one twentieth (1/20) of its paid up share capital have the right to request that the company be audited by the Court of First Instance with jurisdiction over the area the company is headquartered in accordance to the provisions set out in article 40 paragraph 2 of L. 2190/1920.

Following the request of any shareholder, which is submitted to the company at least five (5) clear days before the General Meeting, the Board of Directors is obligated to provide at the General Meeting the information specifically requested regarding the affairs of the company, to the extent such information is useful towards a realistic assessment of the items on the agenda. Also, following the request of shareholders representing one twentieth (1/20) of the paid up share capital, the Board of Directors is obligated to announce at the annual General Meeting, the sums paid to each member of the Board of Directors or to the directors of the company in the previous two years, as well as all other benefits paid to these persons for any reason, or any contract between the company and them. In all above cases, the Board of Directors may refuse to disclose information with due cause, which is recorded.

Following the request of shareholders representing one fifth (1/5) of the paid up share capital, which is submitted to the company by the deadline of the preceding paragraph, the Board of Directors is obligated to provide information regarding company affairs and the financial standing of the company to the General Meeting. In all above cases, the Board of Directors may refuse to provide information with due cause, which is recorded.

At the request of shareholders representing one twentieth (1/20) of the paid up share capital, decisions on any item of the agenda of a General Meeting are made by roll-call vote.

Shareholders representing one fifth (1/5) of the paid up share capital have the right to request that the Court of First Instance with jurisdiction over the area of the company's registered offices, audit the Company in accordance to article 40 paragraph 3 of L. 2190/1920, provided that the course of the company indicates that the management of company affairs is not exercised in an appropriate and prudent manner.

Right to Dividends

According to the Articles of Association, the Company must distribute annually minimum dividend equal to the minimum annual dividend projected by law (Article 45 of C.L. 2190/1920), which according to article 3 of Development Law 148/1967 amounts to at least 35% of the company's net profit, following the deduction necessary for the establishment of statutory reserves.

The place and method of payment is announced in notices published in the press, the Daily Official List and the website of the ATHEX and the Company website.

Dividends are paid within two (2) months of the date of the Annual General Meeting of Shareholders which approves the Company's Financial Statements.

Dividends which remain unclaimed for a period of five years of the date they became payable, are forfeited to the State.

Rights in product of liquidation

On conclusion of the liquidation, the liquidators return the contributions of the Shareholders in accordance with the Articles of Association and distribute the balance of the Company's assets' liquidation to the Shareholders in proportion to their share in the paid-up capital of the Company.

VI. Composition and manner of operation of the Board of Directors and other administrative, management or supervisory bodies or committees of the Company.

The purpose of the Board is the continuous enhancement of the long-term economic value of the Company and the safeguarding of general corporate interests. The Board of Directors is responsible for deciding on all matters pertaining to the management of the Company, administering company assets and the general pursuit of the company's purposes without any limitation (apart from matters pertaining exclusively to the General Meeting) and representing the Company both judicially and extra-judicially.

Composition

The Company is managed by a Board of Directors comprised of minimum seven (7) to eleven (11) members, who are elected by the General Meeting with simple majority of the shareholders who are present, which also determines the term of their service. A legal entity may also be elected to the Board.

The members of the Board of Directors are elected by shareholders for a five year term which is automatically extended until the first annual General Meeting following the end of their term and is not permitted to exceed six years but does not preclude their re-election. The replacement of all members of the Board in one General Meeting should be avoided, and the succession of members of the Board of Directors must be conducted gradually.

The names of the members of the Board of Directors submitted for election or re-election will be accompanied by sufficient biographical details and the view of the Board on the independence of the proposed Board members, in accordance with the independence criteria set out in the Law, and any other relevant information to enable shareholders to make an informed decision.

The General Meeting may also elect alternate members of the Board, with the aim to replace resigning, deceased or retiring members of the Board.

Should the replacement by alternate members, as stated above, is not possible, the remaining members of the Board of Directors, provided they constitute at least three (3), may resolve to elect new members.

Should the Board be deficient of members (due to resignation, death or any other loss of membership), the Board of Directors, provided the number of remaining members is more than half of the initial number of members, and in any event no less than three (3), may continue to manage and represent the Company, without proceeding to replacement of deficient members as stated in the previous paragraph.

The Board of Directors elects the Chairman, the Vice-Chairman and one or two Chief Executive Officers among its members. The Chairman or Vice-Chairman of the Board of Directors is not required to be an executive member of the Board of Directors.

In case of absence of impediment of the President, the latter shall be substituted (as regards all powers and authorities of his/hers) by the Vice-President, while in case of absence or impediment of the latter, the Vice-President shall be substituted by the Managing Director. In case of absence of impediment of the latter, the Managing Director shall be substituted by the senior councillor. The Board of Directors is comprised of a majority of non-executive members (including at least two independent non-executive members).

The independent non-executive members are exempt from conflicts of interest with the Company, and from close ties with Management, majority shareholders or the Company. For the duration of their term, the independent non-executive members are not permitted to hold more than 0,5% of the share capital of the Company or to maintain a dependant relationship with the

Company or with persons affiliated with the Company. The independent members are elected by the General Meeting. The Board of Directors must determine whether the candidate fulfils the independence criteria before he/she is nominated by the General Meeting of Shareholders. In determining the independence of both candidates and current members, the Board of Directors should consider that a relation of dependence exists when the member:

- is (as stipulated in Law 3016/2002), or has been an employee, senior executive or Chairman of the Board of Directors of the Company or its subsidiaries within the last three (3) years;
- receives or has received during the 12 month prior to his appointment any compensation from the Company other than board membership fees approved by the General Meeting of Shareholders of the Company;
- has (as stipulated in Law 3016/2002) or had within the past year a material business relationship with the Company or its subsidiaries, particularly as a significant client, supplier or consultant of the Company or as a partner, shareholder or board member, or senior executive of an entity that has such a relationship with the Company or its subsidiaries;
- has been the external auditor of the Company or its subsidiaries or has been a partner or employee of a firm that provides external auditing services to the Company or its subsidiaries within the last three (3) years;
- has (as stipulated in Law 3016/2002) a second degree kinship with or is the spouse of a non-independent Board members, senior executive, adviser or significant shareholder of the Company or its subsidiaries;
- controls directly or indirectly through related parties , more than 10% of the voting rights of the Company or represents a significant shareholder of the Company or its subsidiaries.

The Company's current Board of Directors consists of nine (9) members and was elected by the Extraordinary General Meeting of shareholders of 10 April 2014, for a five-year term, has the following composition after the resignation of the member Mr. Nikolaos-Leon Papapolitis and following the resignations of non- executive members Mr. Konstantinos Kokkalis and Mr Petros Souretis and then the resignation of the Chief Executive Officer Mr Antonios Kerastaris and the reconstruction of the Board of Directors consisting of :

1. Socratis P. Kokkalis, Chairman and CEO, executive member,
2. Constantinos G. Antonopoulos, Vice Chairman, non-executive member,
3. Chrisostomos D. Sfatos, Deputy CEO, executive member,
4. Nikolaos I. Nikolakopoulos, Deputy CEO, executive member,
5. Dimitrios Ch. Klonis, Director, non-executive member,
6. Alexandros- Stergios, N. Manos, Director, non-executive member,
7. Sotirios N. Filos, Director, independent-non-executive member,
8. Anastasios M. Tsoufis, Director, independent-non-executive member, and
9. Ioannis P. Tsoukaridis, Director, independent-non-executive member,

The CVs of all members of the Board of Directors are available on the Company's website (www.intralot.com).

Board of Director Meetings

The Board of Directors may validly convene, in addition to the company headquarters, elsewhere in Greece or abroad. The Board of Directors may also convene via teleconference; in such case, the invitation to the Board members includes information relevant to the teleconference.

The Board of Directors shall convene with the frequency required to ensure the effective performance of its duties and at least once per month.

The Chairman will preside over meetings of the Board of Directors and in the case of being absent, the Vice-Chairman will take the chair.

The Board of Directors decides with a majority of the members either physically present and/or represented by proxy except in case of Article 5 Paragraph 2 of the Company's Articles of Association.

The discussions and the resolutions of the Board are recorded in minutes. The minutes of each session must be distributed and approved at the subsequent Board meeting. Copies and extracts of the Minutes are ratified by the President of the Board of Directors or the Managing Director or by any other councilor.

Responsibilities of the Board of Directors

The responsibilities of the Board of Directors are clearly defined, apart from the legislation in force, by both the Company's Articles of Association and the internal Company regulation or other internal Company documents.

The Board of Directors is responsible for deciding on all matters pertaining to the management of the Company, administering company assets and the general pursuit of the company's purposes without any limitation (apart from matters pertaining exclusively to the General Meeting) and representing the Company both judicially and extra-judicially. Responsibilities of the Board of Directors include:

- approving the overall long-term strategy and operational goals of the Company;
- approving annual budgets and business plans and deciding on major capital expenditures, acquisitions and divestitures;
- approving the financial statements;
- selecting and replacing, if necessary, the executive leadership of the Company and overseeing succession planning;
- monitoring the performance of the Management and aligning executive remuneration with the longer term interests of the Company and its shareholders;
- ensuring the integrity of the Company's accounts, financial reporting systems and public disclosures, as well as the effectiveness of the systems of internal control and risk management;
- being alert and adequately addressing actual and potential conflicts of interest between the Company, on the one hand, and the Management, Board members or major

shareholders on the other (including shareholders with direct or indirect power to control the Board's composition and behaviour); to this end, the Board should put a set of procedures in place for supervising transactions by all related persons (including transactions that must be submitted to the shareholders for approval) in order to ensure transparency and protect the Company's interests,

- ensuring that there is a satisfactory process for monitoring the Company's compliance with relevant laws and regulations;
- deciding on and monitoring the effectiveness of the Company's governance processes, including its system of decision–making and delegation of authorities and duties to other key executives, and the definition, circulation and implementation of the main values and principles of the Company which govern the relationships between all parties whose interests are associated with the Company;
- the issuance of all bond loans (which is a parallel duty of the General Meeting) except for the issuance of convertible bond loans with profit participation rights for which the General Meeting is responsible to resolve.

The Board of Directors may assign all or part of its managerial powers (except for those requiring collective action) and representation to one or more persons, either members or non-members of the Board of Directors, Company's employees or third parties, specifying the extent of the power granted. These persons may, if provided in the respective resolution of the Board of Directors, further delegate to third parties, wholly or partially, the aforementioned powers. The persons assigned with the aforementioned powers bind the Company as its corporate bodies to the full extent of the aforementioned powers.

The Board of Directors may assign committees which support its decision making process and ensure the effective management of potential conflicts of interest which may arise throughout the decision making process.

Responsibilities & Conduct of the members of the Board of Directors

Each Board member has a duty of loyalty to the Company. The Board members should act with integrity and in the best interests of the Company as well as protect the confidentiality of information that has not been disclosed to the public. They should not compete with the Company and must avoid any role or activity that creates or appears to create conflict between personal interests and the interests of the Company, including holding board or executive positions in competing companies, without the permission of the General Meeting of the shareholders. The Board members contribute their expertise and devote to their duties the necessary time and attention. They should also limit the number of other professional commitments (in particular any directorship held in other companies) to the extent necessary for the satisfactory execution of their duties as members of the Board.

Finally, the members of the Board must endeavour to attend all meetings of the Board and the committees of which they are members.

The division of responsibilities between the Chairman and the Chief Executive Officer, in case that both are executive members of the Board, should be clearly established by the Board, set out in writing and communicated to the shareholders. The same applies in the event that the duties of the Chairman and Chief Executive Officer are exercised by the same person.

The Chairman should facilitate the effective contribution by non-executive Board members to the work of the Board and ensure constructive relations between executive and non-executive members.

The Chairman and/or the Vice Chairman must have meetings with the non-executive members, without the presence of the executive members, in order to discuss the performance of the latter as well as other related matters.

The Board should ensure that an induction program is established for new Board members and that continuing professional development programs are available to other Board members, if this is considered to be required.

Board members should arrange to receive regular briefings on business developments and changes in the risk profile of the Company. They should be also appraised in a timely manner of changes in laws and the market environment. Board members should engage frequently with senior executives of the Company, attending regular presentations by heads of sectors and services.

Board members should have the right to request from the Management, via the Chief Executive Officer, any information they consider necessary to fulfill their responsibilities at any point of time.

The Board should appoint an independent vice chairman from among its independent Board members where the Company chooses to combine the roles of Chairman and Chief Executive Officer.

A former executive of the Company who is appointed as Chairman within three (3) years as from his/her retirement as executive, he/she should be considered as being an executive chairman.

The Chairman is responsible for leading the Board.

He is responsible for determining the agenda of the meetings, (without limitation to the right of the deputy of the Chairman or two of its members as stipulated in the Articles of Association of the Company to convene a meeting of the Board of Directors), ensuring the organization of activities performed by the Board, and effectively conducting Board meetings. In addition, the Chairman or, should the Chairman be a non-executive director, the Vice Chairman, is responsible for ensuring that the members of the Board are informed in a timely manner and for effectively communicating with all shareholders, as well as the fair and equitable treatment of all shareholder interests . In case of absence of impediment of the President, the latter shall be substituted (as regards all powers and authorities of his/hers) by the Vice-President, while in case of absence or impediment of the latter, the Vice-President shall be substituted by the Managing Director. In case of absence of impediment of the latter, the Managing Director shall be substituted by the senior councillor. A Board member's other professional commitments (including significant non-executive engagements in companies and non-profit institutions) should be disclosed to the Board before appointment. Changes to such commitments should be

reported to the Board as they arise. Non-executive Board members should undertake at appointment that they will have sufficient time to meet what is expected of them.
An executive Board member's appointment as a non-executive board member in a company other than a subsidiary or a related company should be approved by the Board.

Responsibilities of executive members of the Board of Directors:
The Board of Directors selects its executive members from within its members in accordance with the law and the Company's Articles of Association and assigns to one or more members, to other corporate bodies or executives of the Company or to third parties (as per authorization of the abovementioned to this end) the daily management matters and part of its powers.

Responsibilities of non- executive members of the Board of Directors:
The Board of Directors selects its non-executive members from within its members in accordance with legislation and Company statute. The non-executive members are responsible for the advancement of corporate matters, they participate on boards and committees and are particularly responsible for upholding the principles of proper corporate governance.
The non-executive members maintain their independence as regards the matters they investigate, aiming to effectively perform their role and to create a trustworthy climate between the Board of Directors, senior executives and managers.
The non-executive members of the Board of Directors must have in-depth knowledge of both the operation and product of the Company and the broader market of the industry and should be provided with every assistance. In general, each non-executive member arranges for his/her continuing education so as to contribute effectively and efficiently to the proper and efficient operation of the Company.
At least of two of the non-executive members are elected by the General Meeting as independent and may, if deemed necessary, submit, individually or jointly, reports or studies independent from those of the Board of Directors to the Ordinary or Extraordinary General Meeting of the Company.

COMPENSATION POLICY

The formulation and flawless implementation of the Corporate Compensation and Benefits Policy, plays a fundamental role in the operation of INTRALOT and constitutes the focal point for the long-term retention of its Human Capital.
INTRALOT cooperates with international consultancy agencies in the field of Compensation and Benefits research, constantly monitoring world reward trends aiming to achieve a fair, objective and competitive reward strategy in comparison not only with international but with local labor market practices as well.
The Compensation and Benefits Policy regulates fixed salaries levels, benefits and performance-related variable remuneration systems concerning the executive members of Board of Directors. The job description, accountability and responsibility of the position in the Group along with the

academic background, competencies, professional experience, and performance evaluation constitute the criteria of the above mentioned policy.

The implementation of the Compensation and Benefits Policy and its monitoring systems aim, in full transparency, to define the salaries and benefits' structure and to safeguard the internal corporate fairness and consistency.

The principles of the Compensation and Benefit Policy imbue the total of the employee force of the Company, including the executive members of the Board of Directors. The fixed salaries reviews, the granting of bonuses along with the benefits share the aforementioned common principles and regard the whole corporate ladder based on the corporate budget and the annual performance of the Group.

In addition to both the fixed and variable remuneration pertaining to the executive members of the Board of Directors, other incentives such as medical and life insurance, corporate car along with extra benefits are granted.

Additionally, the corporate stock option scheme constitutes a strong incentive contributing to the retention of highly performing executives and to the continuous effort for the improvement of the long term results of the Company. Such programs regard the executive members of the Board of Directors, top executives and key employees meeting the following criteria, hierarchy, personal contribution, importance of the role along with performance evaluation results.

Other Managerial and Supervisory Bodies

The Board of Directors may decide to establish committees governing human resources, scheduling, control or other responsibilities as it deems necessary to facilitate the purpose of the Company. The detailed terms of mandate, composition, term, the directorship and reporting frequency to the Board of Directors is determined at the time of establishment. The committees have consulting competence and submit their recommendations to the Board of Directors for due examination and action. Exceptionally, the Board of Directors may, at its discretion, delegate to these committees executive and/or decision making authorities in cases allowed by law and the Company's Articles of Association.

A. Audit and Compliance Committee

Chairman: Sotirios N. Filos, Independent - non-executive member

Members:

Anastasios M. Tsoufis, independent - non-executive member and

Ioannis P. Tsoukaridis, independent - non-executive member

The Audit and Appliance Committee is a committee of the Board of Directors and is established with the aim to assist the Board with its supervisory responsibilities as regards financial reporting and information, the compliance of the Company and its subsidiaries to the legislative and regulatory operational framework, audit system procedures and to exercise supervision over the auditing operation.

The members of the Audit and Compliance Committee are appointed by the Board of Directors. The Audit and Compliance Committee is comprised of at least two (2) non-executive members and one independent non-executive member of the Board of Directors who presides the meetings and has experience/knowledge on finance and accounting matters.

The Audit and Compliance Committee convenes as necessary but at a minimum four times per annum on invitation of its Chairman and also meets with the Company's auditor at least twice a year and not in the presence of Company's Management.

The main responsibilities of the Audit and Compliance Committee include:

- Monitoring and evaluation of the competence of the internal audit and risk management system of the Company.
- Monitoring the findings of the Supervisory and Taxation Authorities including the responses of the Management of the Company.
- Examination of the Internal Operational Regulation of the Company every two years.
- Monitoring of the financial reporting processes.
- Monitoring of the procedures of mandatory bi-annual and annual audits of the individual and consolidated financial statements of the Company which are prepared according to the International Financial Reporting Standards (IFRS) and recommends their approval or rejection to the Board of Directors of the Company.
- Supervision of the most significant financial accounting reporting matters and the notes to the financial statements, focusing on areas and methods used to evaluate assets and liabilities which are open to subjective interpretation.
- Supervision of all taxation or legal matters which may have a significant impact on financial statements.
- Examines, with the Management of the Company, the external and internal Auditors, the adequacy of Company's information systems including the significant risks and instituted controls to minimize risk.
- Recommends the external auditor or firm of auditors (the Auditor) to the Board of Directors, to enable the Board to submit its proposal to appoint an external or firm of auditors to the General Meeting.
- Ensures the independence and objectivity of the Auditor, reviewing the compliance of the firm as regards the rotation of the auditors, the fee paid by the Company and the provision of other services (for example consulting services) by the statutory auditor or firm of auditors.
- Is informed by the Auditor or the firm of auditors, at least once a year, on each matter related to the progress and results of the statutory audit. The Committee receives a report on the weaknesses of the internal audit system, specifying the weaknesses of procedures related to financial reporting and the preparation of financial statements.
- Ensures the Board of Directors is available to internal and external auditors by acting as

intermediary.

- Meets with the Auditor (either in the presence of Management or not) to discuss the aforementioned matters, potential disputes which may arise between the Auditor and Management of the Company, and any significant changes which may arise in the audit plan.
- Proposes the appointment, replacement and termination of the Internal Auditor to the Board of Directors and is responsible for the periodic evaluation of the Internal Auditor's performance.
- Receives and examines the periodic reports of the internal audit and supervises the progress of recommendations made by the Internal Auditor and adopted by Management as expressed in the respective reports.
- Examines transparency matters pertaining to the procedures connected to the awarding and execution of public tenders in accordance with current legislation while aiming to ensure transparency.
- Controls the transactions of the subsidiaries and related corporations as stipulated in article 42 of Law 2190/1920 in Greece and abroad as regards the interests and activities of the group of the Company.
- Proposes the appointment of a person as responsible for the whistleblowing policy of the Company, determines the responsibilities and any remuneration.

The Financial Committee, which is responsible for the financial management of the Company, is a sub-committee of the Audit and Compliance Committee. More particularly, the Financial Committee is comprised of:
the Chief Financial Officer, the Director of Finance, the Accounting Director, the Subsidiaries and Business Development Director and other executives within the finance department as deemed necessary and recommends to the Audit and Compliance Committee and/or directly to the Board of Directors as follows:

a. to manage the Group's exposure to risk associated with interest rate fluctuations while taking into account the ratio between floating and fixed interest rates for the total net indebtedness of the Group.
   To manage the risk ratio of fixed-floating interest rates, the Company and/or its subsidiaries may enter into financial derivative agreements such as: Interest Rate Swaps, Interest Rate Caps, Interest Rate Collars and other financial products offered by Greek and international banks. The abovementioned products "swap" the variable interest rate with a fixed one.
b. to manage the Group's exposure to risks associated with currency exchange rate fluctuations by proposing financial derivative agreements such as: Forward Contracts, Options, Currency Swaps and other financial products offered by Greek and international banks.

The abovementioned products "lock" the exchange rates (spot rate) of various currencies. Decisions regarding the advisability and risk management strategy are undertaken by the Financial Committee depending on the coverage percentage and market conditions and circumstances.

c. to manage risks which may arise from socio-political changes through products available on the market such as: Event Swaps - when a political event compels a business/investment interruption abroad (for example following a political resolution to expel all foreign companies), or Credit Default Swaps - when the credit-worthiness of a county deteriorates.

The Financial Committee will recognise potential risk in a timely manner and will discern the most appropriate and effective methods to manage said risks with the use of suitable financial tools. The Committee then proposes that divisions and/or subsidiaries of the Company enter into agreements.

B. Remuneration and Nomination Committee

The Remuneration and Nomination Committee following the resignation of Mr. K. Kokkalis on 30.01.2019 consists of:
Chairman: Dimitrios Ch. Klonis, Non-Executive member,
Members:
Sotirios N. Filos, Independent - non-executive member,
Ioannis P. Tsoukaridis, Independent - non-executive member,

The Board of Directors of the Company assigns the responsibility of determining the employee remuneration policy of the Company to the Remuneration Committee. The Remuneration Committee recommends levels of remuneration to the Board of Directors for executives, managers and senior executives and concurrently regulates matters associated with the overall remuneration policy of the Company.
The Remuneration committee is comprised of three (3) members the majority of whom are non-executive members. The Chairman of the Remuneration Committee is appointed by the Board of Directors and must be a non-executive member. Should an executive be a member of the Remuneration Committee, this member may not attend discussions pertaining to his/her own remuneration.
The Remuneration Committee convenes at the invitation of its Chairman as deemed necessary and at least once per annum. The main responsibilities of the Remuneration Committee are as follows:

- Proposes the remuneration policy of the Company including incentive bonuses, stock options and employee loyalty incentive programs.
- Specifically for the remuneration of executives and managers, the Committee suggests an annual salary, performance related remuneration, pension plan and severance package.

- Suggests the level and structure of senior executive remuneration. The remuneration of the internal auditor is discussed with the Audit and Compliance Committee.
- Proposes the criteria and the overall framework for the selection of the members of the Board of Directors.
- Suggests the procedures for determining the internal relations of the members of the Board of Directors.
- Determines the criteria for selection of new directors and movements.

C. Management Committee

The Management Committee is comprised of the Chief Executive Officer and General Directors of the Company and examines all significant Company matters, formulates proposals and decides how to address them. The role of the Management Committee is also essential in the achievement of inter-company communication, the coordination of the departments' projects and the support of the Chief Executive Officer in both an informative and advisory capacity. The Management Committee provides an accurate and complete overview of the Company, emphasising critical operational issues, designs the development strategy of the Company and advances the implementation of major projects and objectives. The Management Committee may convene without the whole of its members on invitation of the Chief Executive Officer of the Company. Members of the Audit and Compliance Committee and senior executives may attend the meetings as deemed necessary.

Evaluation of the Board of Directors

The evaluation of the performance of the Board and its committees should take place at least every two (2) years in line with a clearly established procedure. The evaluation exercise should be led by the Chairman of the Board (or should the Chairman be a non-executive member, the Vice-Chairman of the Board of Directors) and of every committee, while following the evaluation, the Chairman should act on the results of the performance evaluation by addressing the weaknesses of the Board.

VII. Diversity Policy

The Company hasn't adopted specific policy of diversity including gender balance. But in the Code of Conduct of the Company is referred that INTRALOT is committed to the policy of equal employment opportunity for all employees and candidates in accordance with the appropriate employment laws. The procedures for hiring and evaluating candidates and employees are based on their respective qualifications, skills and performance. Additionally, both as a matter of law and common decency, each employee of INTRALOT is entitled to pursue his or her employment free of unlawful discrimination and harassment with regards to sex, race, color, nationality, ancestry, citizenship, sexual orientation, religion, age, physical of mental disability, medical condition or marital status.

Table of the members participations to the workings of the Board of Directors and its committees during the year (01.01.2018-31.12.2018)

PARTICIPATIONS IN DECISION-MAKING OF THE BOARD OF DIRECTORS AND ITS COMMITTEES

FULL NAME	50 PARTICIPATIONS IN DECISION MAKING PROCEDURES OF THE BoD		13 MEETINGS OF THE AUDIT & COMPLIANCE COMMITTEE		2 MEETINGS OF THE REMUNERATION and NOMINATION COMMITTEE	
	PRESENT	ABSENT	PRESENT	ABSENT	PRESENT	ABSENT
SOCRATIS KOKKALIS	50					
CONSTANTINOS ANTONOPOULOS	50					
ANTONIOS KERASTARIS	50					
KONSTANTINOS KOKKALIS	50				2	
DIMITRIOS KLONIS	50					
PETROS SOURETIS	50					
SOTIRIOS FILOS	50		13		2	
ANASTASIOS TSOUFIS	50		13			
IOANNIS TSOUKARIDIS	50		13		2	

During 2018, from the 13 meetings of the audit and compliance committee , the 8 referred to the oversight of the Independent Auditors'.

Independent Auditor’s Report

To the Shareholders of “INTRALOT S.A. INTEGRATED LOTTERY SYSTEMS AND SERVICES”

Report on the Audit of the separate and consolidated Financial Statements

Opinion

We have audited the accompanying separate and consolidated financial statements of INTRALOT S.A. INTEGRATED LOTTERY SYSTEMS AND SERVICES (the Company) and its subsidiaries, which comprise the separate and consolidated statements of financial position as at December 31, 2018, the separate and consolidated income statements, statements of comprehensive income, statements of changes in equity and cash flow statements for the year then ended, including a summary of significant accounting policies and selected explanatory notes to the financial statements.

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of the Company and its subsidiaries (the Group) as at December 31, 2018, the financial performance and cash flows for the year then ended, in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs), as incorporated into the Greek Law. Our responsibilities, under those standards are further described in the “Auditor’s Responsibilities for the Audit of the separate and consolidated Financial Statements” section of our report. We are independent of the Company and its subsidiaries, during the whole period of our audit, in accordance with the International Ethics Standards Board for Accountants “Code of Ethics for Professional Accountants” as incorporated into the Greek Law and we have fulfilled our ethical responsibilities in accordance with current legislation requirements and the aforementioned Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the separate and consolidated financial statements of the current year. These matters and the related risks of material misstatement were addressed in the context of our audit of the separate and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not express a separate opinion on these matters.

Key audit matters	**How our audit addressed the key audit matter**
Evaluation of trade receivables’ recoverability **(separate and consolidated financial statements)**	
As at December 31, 2018, the Group's and Company’s trade receivables amounted to € 93.6 mil. and € 97.6 mil. respectively, while the accumulated impairment loss amounted to € 18.1 mil. and € 17.7 mil. as stated in notes 2.19 and 2.20 of the separate and consolidated financial statements. At each reporting date, management assesses the	Our audit procedures regarding the recoverability of trade receivables included, among others: ▪ Understanding and reviewing procedures for credit control and examination of key controls on granting credit to customers. ▪ Receipt of third party confirmation letters for a representative sample of trade receivables and

recoverability of the Group's and Company's trade receivables, in order to be reflected at their recoverable amount, by recognizing the required loss allowance for expected credit losses. This process involves significant judgements and estimates, in relation to the appropriate application of IFRS 9 from January 1, 2018.

Given the material value of the abovementioned receivables and the level of judgment and estimates required, we consider the evaluation of trade receivables' recoverability as a key audit matter.

The Group's disclosures regarding the accounting policy, as well as the judgements and estimates that have been used in the evaluation of recoverability of trade receivables, are included in notes 2.1.12, 2.1.14 and 2.1.28 of the separate and consolidated financial statements.

execution of procedures subsequent to the date of the financial statements for receipts versus closing balances.

- Understanding and evaluating the Group's process regarding the monitoring of trade receivables and the factors taken into consideration in estimating the loss allowance for expected credit losses, as well as the valuation of collaterals received from customers.
- Evaluation of the application of the new methodology in accordance with the requirements of IFRS 9, as well as the accuracy and completeness of data used by Management in the ECL calculation model.
- Evaluation of the legal advisors' letters for relevance with management's assumptions regarding the recoverability of receivables.
- Evaluation of the management's assertions regarding the recoverability of trade receivables.
- Evaluation of the adequacy and appropriateness of the Group's disclosures in the separate and consolidated financial statements with respect to the above matter.

Evaluation of impairment for goodwill and intangible assets (separate and consolidated financial statements)

As at December 31, 2018, the Group presented in the consolidated Statement of Financial Position Goodwill amounting to € 34.5 mil., Software amounting to € 82.8 mil., Development Costs amounting to € 90.2 mil., Licenses amounting to € 81.8 mil. and Other Intangibles amounting to € 13.1 mil., as stated in note 2.16 of the separate and consolidated financial statements.

According to the requirements of IAS 36, goodwill and intangible assets with indefinite useful life are tested for impairment at least annually, while intangible assets with finite useful life are tested for impairment when there are indications of impairment. For the determination of the recoverable amount of the abovementioned assets, management is required to exercise judgement and significant estimates. During the year ended December 31, 2018, an impairment loss of € 17.6 mil. has been recognized in the income statement of the Group.

Given the significance of the balances of the abovementioned assets in the consolidated Statement of Financial Position, the degree of subjectivity to the assumptions underlying the impairment analysis and the significant judgments and estimates required by

Our audit procedures regarding the evaluation of impairment of goodwill and intangible assets included, among others:

- Evaluation of the management's assessment of whether there are indications of impairment of these assets.
- Evaluation of the policies, methodology and internal control procedures adopted by the Group regarding the assessment of impairment of these assets.
- Assessment of the suitability of the value-in-use models.
- Assessment of the reliability of business plans of management, including among others a comparison of the budgeted figures against the actual financial figures.
- Assessment of the reasonableness of key assumptions following comparison with external market information, including analysts' reports as well as internal information. Key assumptions that were evaluated, included revenue and profit margins, capital investments in licenses and equipment-related assets as well as discount

management, we consider the impairment of the abovementioned assets as a key audit matter.

The Group's disclosures regarding the accounting policy, as well as the judgements and estimates that have been used in the evaluation of impairment, are included in notes 2.1.6, 2.1.11 and 2.1.28 of the separate and consolidated financial statements.

rates.

- Use of a specialist with expertise in valuation and business modeling, to evaluate the mathematical precision of the models' calculations and to assess the reasonableness of the discount rates used.
- Assessment of the sensitivity analysis on the underlying assumptions and the potential impact on the relevant assets' recoverable amount.
- Evaluation of the adequacy and appropriateness of the Group's disclosures in the separate and consolidated financial statements with respect to the above matter.

Evaluation of impairment in investments in subsidiaries (separate financial statements)

As at December 31, 2018, the Company's investments in subsidiaries amounted to € 125.2 mil. Investments in subsidiaries are initially measured at cost, which is adjusted for any impairment losses. During the year ended December 31, 2018, an impairment loss of € 4.2 mil. has been recognized.

For the determination of any impairment, management compares the carrying amount of each subsidiary (CGU) with its recoverable amount. The recoverable amount is determined as the value in use, the determination of which is supported by forecasts of future operating flows, which are by nature subjective and depend on various factors, such as future sales.

Given the significance of the balance of investments in subsidiaries in the separate financial statements, the degree of subjectivity to the assumptions underlying the impairment analysis and the significant judgements and estimates required by management, we consider the assessment of impairment of investments in subsidiaries as a key audit matter.

In addition, we focused on this area because the data described in the key audit matter "Evaluation of impairment for goodwill and intangible assets" has also an impact on the investments in subsidiaries.

The Company's disclosures regarding the accounting policy, as well as the judgements and estimates that have been used in the evaluation of impairment, are included in note 2.1.6 (a) of the separate and consolidated financial statements.

For the evaluation of impairment in the Company's investments in subsidiaries, we conducted the audit procedures described in the key audit matter "Evaluation of impairment of goodwill and intangible assets".

Following the completion of the procedures used for the Consolidated Financial Statements, we evaluated the analysis prepared by management, according to which the recoverable amounts of the CGUs were correlated with the respective investments in subsidiaries.

In addition, we evaluated the adequacy and appropriateness of the relevant disclosures in the accompanying financial statements.

Other Information

Management is responsible for the other information. The other information, included in the Annual Financial Report, is comprised of the Management Report of the Board of Directors, for which reference is also made in section "Report on Other Legal and Regulatory Requirements", and the Representations of the Members of the Board of Directors, but does not include the financial statements and the auditor's report thereon.

Our opinion on the separate and consolidated financial statements do not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the separate and consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the separate and consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we conclude, based on our audit, that there is a material misstatement therein, we are required to communicate that matter. We have nothing to report, regarding the aforementioned matter.

Responsibilities of Management and Those Charged with Governance for the separate and consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the separate and consolidated financial statements in accordance with the IFRSs as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate and consolidated financial statements, management is responsible for assessing the Company's and Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to liquidate the Company or the Group or to cease operations, or there is no realistic alternative but to do so.

The Audit Committee (art. 44 Law 4449/2017) of the Company is responsible for overseeing the Company's and Group's financial reporting process.

Auditor's Responsibilities for the Audit of the separate and consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs, as incorporated into the Greek Law, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users, taken on the basis of these separate and consolidated financial statements.

As part of an audit in accordance with ISAs, as incorporated into the Greek Law, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on

the Company's or Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company of the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinion on the separate and consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate and consolidated financial statements of the current period and are therefore the key audit matters.

Report on Other Legal and Regulatory Requirements

1. Management Report of the Board of Directors

Taking into consideration that Management is responsible for the preparation of the Management Report of the Board of Directors and Corporate Governance Statement that is included therein, according to the provisions of paragraph 5 of article 2 of Law 4336/2015 (part B), we note the following:

a. The Management Report of the Board of Directors includes a Corporate Governance Statement that provides the information required by Article 43bb of Codified Law 2190/1920.

b. In our opinion, the Management Report of the Board of Directors has been prepared in accordance with the legal requirements of article 43a and 107A and paragraph 1 (c and d) of Article 43bb of the Codified Law 2190/1920 and the content of the report is consistent with the accompanying financial statements for the year ended December 31, 2018.

c. Based on the knowledge we obtained during our audit of the Company "INTRALOT S.A. INTEGRATED LOTTERY SYSTEMS AND SERVICES" and its environment, we have not identified any material misstatements in the Management Report of the Board of Directors.

2. Complementary Report to the Audit Committee

Our audit opinion on the accompanying separate and consolidated financial statements is consistent with the complementary report to the Company's Audit Committee, in accordance with Article 11 of the European Union (EU) Regulation 537/2014.

3. Non-audit Services

We have not provided to the Company and its subsidiaries any prohibited non-audit services referred to in Article 5 of EU Regulation 537/2014. The permitted non-audit services that we have provided to the Company and its subsidiaries during the year ended December 31, 2018, are disclosed in note 2.6 of the accompanying separate and consolidated financial statements.

4. Auditor's Appointment

We have been appointed as joint statutory auditors by the Annual General Meeting of the Company on 23/05/2013. Since then, we have been appointed as joint statutory auditors for a total period of five (5) years based on the decisions of the shareholder's Annual General Meetings.

Athens, April 15, 2019

The Certified Public Accountants

Evagelos D. Kosmatos	Nikolaos Ioannou
SOEL Reg. No. 13561	SOEL Reg. No 29301

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ANNUAL FINANCIAL STATEMENTS
INCOME STATEMENT OF THE GROUP / COMPANY FOR THE YEAR 2018

Amounts reported in thousand €	Note	GROUP		COMPANY	
		1/1-31/12/2018	1/1-31/12/2017 [2]	1/1-31/12/2018	1/1-31/12/2017
Sale Proceeds	2.2	870.833	930.595	61.781	66.834
Less: Cost of Sales	2.4-2.6	-709.523	-730.502	-49.016	-38.716
Gross Profit /(loss)		**161.310**	**200.093**	**12.765**	**28.118**
Other Operating Income	2.3	16.225	16.707	11.288	1.993
Selling Expenses	2.4-2.6	-38.656	-40.746	-8.954	-9.606
Administrative Expenses	2.4-2.6	-73.818	-74.614	-14.073	-14.425
Research and Development Expenses	2.4-2.6	-3.717	-6.147	-3.717	-6.147
Other Operating Expenses	2.9	-10.034	-7.025	-3.229	-4.536
EBIT	2.1.27	**51.310**	**88.268**	**-5.920**	**-4.603**
EBITDA	2.1.27	**116.532**	**151.045**	**7.445**	**8.763**
Income/(expenses) from participations and investments	2.7	18.396	-24.064	6.147	7.136
Gain/(loss) from assets disposal, impairment loss and write-off of assets	2.8	-19.283	-2.278	0	-2
Interest and similar expenses	2.10	-50.404	-69.951	-16.895	-17.208
Interest and similar income	2.10	8.122	6.887	4.666	3.254
Exchange Differences	2.11	8.136	-5.733	213	-589
Profit / (loss) from equity method consolidations	2.31	-18.309	-3.412	0	0
Profit / (loss) to net monetary position	2.34	-130	0	0	0
Profit/(loss) before tax from continuing operations		**-2.162**	**-10.283**	**-11.789**	**-12.012**
Tax	2.12	-13.269	-18.961	-4.336	562
Profit / (loss) after tax from continuing operations (a)		**-15.431**	**-29.244**	**-16.125**	**-11.450**
Profit / (loss) after tax from discontinued operations (b) [1]	2.31	42.392	23.223	0	0
Profit / (loss) after tax (continuing and discontinued operations) (a)+(b)		**26.961**	**-6.021**	**-16.125**	**-11.450**
Attributable to:					
Equity holders of parent					
-Profit/(loss) from continuing operations		-58.573	-63.819	-16.125	-11.450
-Profit/(loss) from discontinued operations [1]	2.31	32.924	10.433	0	0
		-25.649	**-53.386**	**-16.125**	**-11.450**
Non-Controlling Interest					
-Profit/(loss) from continuing operations		43.142	34.575	0	0
-Profit/(loss) from discontinued operations [1]	2.31	9.468	12.790	0	0
		52.610	**47.365**	**0**	**0**
Earnings/(losses) after tax per share (in €) from total operations					
-basic	2.13	-0,1684	-0,3393	-0,1059	-0,0728
-diluted	2.13	-0,1684	-0,3393	-0,1059	-0,0728
Weighted Average number of shares		157.317.558	157.352.417	157.317.558	157.352.417

[1] The activities of Group subsidiaries in Azerinteltek AS (Azerbaijan), 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 2.31.A.VIII)
[2] Group’s 2017 comparative figures of "Sale Proceeds", "Cost of Sales", "Gross Profit / (Loss)" and "Selling Expenses" are reclassified pursuant to IFRS 15 (note 2.35)

STATEMENT OF COMPREHENSIVE INCOME OF THE GROUP / COMPANY FOR THE YEAR 2018

Amounts reported in thousand €	Note	GROUP 1/1-31/12/2018	GROUP 1/1-31/12/2017	COMPANY 1/1-31/12/2018	COMPANY 1/1-31/12/2017
Net Profit / (loss) after tax (continuing and discontinued operations) (a)+(b)		**26.961**	**-6.021**	**-16.125**	**-11.450**
Attributable to:					
Equity holders of parent Company					
-Profit/(loss) from continuing operations		-58.573	-63.819	-16.125	-11.450
-Profit/(loss) from discontinued operations [1]	2.31	32.924	10.433	0	0
		-25.649	**-53.386**	**-16.125**	**-11.450**
Non-Controlling Interest					
-Profit/(loss) from continuing operations		43.142	34.575	0	0
-Profit/(loss) from discontinued operations [1]	2.31	9.468	12.790	0	0
		52.610	**47.365**	**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		23	-118	67	-104
Defined benefit plans revaluation for associates and joint vetures	2.26	-91	63	0	0
Amounts that may be reclassified to profit or loss:					
Valuation of assets measured at fair value through other comprehensive income of parent and subsidiaries	2.18	2.088	-357	-30	-240
Share of valuation of assets valued at fair value through other comprehensive income of associates and joint ventures		0	86	0	0
Derivatives valuation of parent and subsidiaries		18	-18	18	-18
Exchange differences on subsidiaries consolidation	2.23	-15.965	-14.187	0	0
Share of exchange differences on consolidation of associates and joint ventures	2.23	-267	-12.911	0	0
Other comprehensive income/ (expenses) after tax		**-14.194**	**-27.442**	**55**	**-362**
Total comprehensive income / (expenses) after tax		**12.767**	**-33.463**	**-16.070**	**-11.812**
Attributable to:					
Equity holders of parent		-34.805	-69.304	-16.070	-11.812
Non-Controlling Interest	2.31	47.572	35.841	0	0

[1] The activities of Group subsidiaries in Azerinteltek AS (Azerbaijan), 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 2.31.A.VIII)

INCOME STATEMENT OF THE GROUP / COMPANY FOR THE 4th QUARTER OF 2018

Amounts reported in thousand €	Note	GROUP 1/10-31/12/2018	GROUP 1/10-31/12/2017 [2]	COMPANY 1/10-31/12/2018	COMPANY 1/10-31/12/2017
Sale Proceeds	2.2	209.606	257.882	19.878	23.731
Less: Cost of Sales	2.4-2.6	-175.540	-193.644	-21.079	-10.281
Gross Profit /(loss)		**34.066**	**64.238**	**-1.201**	**13.450**
Other Operating Income	2.3	5.071	4.185	11.166	390
Selling Expenses	2.4-2.6	-11.430	-12.705	-2.493	-2.162
Administrative Expenses	2.4-2.6	-19.591	-20.481	-4.247	-4.118
Research and Development Expenses	2.4-2.6	-151	-1.281	-151	-1.281
Other Operating Expenses	2.9	-6.443	-4.885	-1.786	-2.987
EBIT	2.1.27	**1.522**	**29.071**	**1.288**	**3.292**
EBITDA	2.1.27	**18.930**	**42.277**	**4.498**	**5.615**
Income/(expenses) from participations and investments	2.7	15.826	-25.081	-4.297	-5.946
Gain/(loss) from assets disposal, impairment loss and write-off of assets	2.8	-19.012	-1.109	0	4
Interest and similar expenses	2.10	-12.207	-26.066	-4.487	-4.361
Interest and similar income	2.10	1.589	2.275	1.086	785
Exchange Differences	2.11	-1.967	107	511	151
Profit / (loss) from equity method consolidations	2.31	-16.789	-54	0	0
Profit / (loss) to net monetary position	2.34	-178	0	0	0
Profit/(loss) before tax from continuing operations		**-31.216**	**-20.857**	**-5.899**	**-6.075**
Tax	2.12	3.786	-5.834	-3.922	-4.047
Profit / (loss) after tax from continuing operations (a)		**-27.430**	**-26.691**	**-9.821**	**-10.122**
Profit / (loss) after tax from discontinued operations (b) [1]	2.31	32.458	17.885	0	0
Profit / (loss) after tax (continuing and discontinued operations) (a)+(b)		**5.028**	**-8.806**	**-9.821**	**-10.122**
Attributable to:					
Equity holders of parent Company					
-Profit/(loss) from continuing operations		-43.680	-37.267	-9.821	-10.122
-Profit/(loss) from discontinued operations [1]	2.31	29.023	15.889	0	0
		-14.657	**-21.378**	**-9.821**	**-10.122**
Non-Controlling Interest					
-Profit/(loss) from continuing operations		16.250	10.576	0	0
-Profit/(loss) from discontinued operations [1]	2.31	3.435	1.996	0	0
		19.685	**12.572**	**0**	**0**
Earnings/(losses) after tax per share (in €) from total operations					
-basic	2.13	-0,0962	-0,1359	-0,0645	-0,0643
-diluted	2.13	-0,0962	-0,1359	-0,0645	-0,0643
Weighted Average number of shares		157.317.558	157.352.417	157.317.558	157.352.417

[1] The activities of Group subsidiaries in Azerinteltek AS (Azerbaijan), 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 2.31.A.VIII)

[2] Group's 2017 comparative figures of "Sale Proceeds", "Cost of Sales", "Gross Profit / (Loss)" and "Selling Expenses" are reclassified pursuant to IFRS 15 (note 2.35)

STATEMENT OF COMPREHENSIVE INCOME OF THE GROUP / COMPANY FOR THE 4th QUARTER OF 2018

Amounts reported in thousand €	Note	GROUP 1/10-31/12/2018	GROUP 1/10-31/12/2017	COMPANY 1/10-31/12/2018	COMPANY 1/10-31/12/2017
Net Profit / (loss) after tax (continuing and discontinued operations) (a)+(b)		**5.028**	**-8.806**	**-9.821**	**-10.122**
Attributable to:					
Equity holders of parent Company					
-Profit/(loss) from continuing operations		-43.680	-37.267	-9.821	-10.122
-Profit/(loss) from discontinued operations [1]	2.31	29.023	15.889	0	0
		-14.657	**-21.378**	**-9.821**	**-10.122**
Non-Controlling Interest					
-Profit/(loss) from continuing operations		16.250	10.576	0	0
-Profit/(loss) from discontinued operations [1]	2.31	3.435	1.996	0	0
		19.685	**12.572**	**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		42	-123	67	-104
Defined benefit plans revaluation for associates and joint ventures	2.26	14	0	0	0
Amounts that may be reclassified to profit or loss:					
Valuation of assets measured at fair value through other comprehensive income of parent and subsidiaries	2.18	-125	-185	-61	14
Share of valuation of assets valued at fair value through other comprehensive income of associates and joint ventures		0	-43	0	0
Derivatives valuation of parent and subsidiaries		0	-18	0	-18
Exchange differences on subsidiaries consolidation	2.23	11.901	-5.992	0	0
Share of exchange differences on consolidation of associates and joint ventures	2.23	161	-1.324	0	0
Other comprehensive income/ (expenses) after tax		**11.993**	**-7.685**	**6**	**-108**
Total comprehensive income / (expenses) after tax		**17.021**	**-16.491**	**-9.815**	**-10.230**
Attributable to:					
Equity holders of parent		-5.917	-26.901	-9.815	-10.230
Non-Controlling Interest	2.31	22.938	10.410	0	0

[1] The activities of Group subsidiaries in Azerinteltek AS (Azerbaijan), 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 2.31.A.VIII)

STATEMENT OF FINANCIAL POSITION OF THE GROUP/COMPANY

Amounts reported in thousand €	Note	GROUP		COMPANY	
		31/12/2018	31/12/2017	31/12/2018	31/12/2017
ASSETS					
Tangible assets	2.14	133.360	102.793	18.890	15.794
Investment property	2.15	39	0	0	0
Intangible assets	2.16	302.332	324.508	90.810	93.729
Investment in subsidiaries, associates and joint ventures	2.17	133.198	135.763	135.908	141.500
Other financial assets	2.18	16.042	21.524	1.213	1.243
Deferred Tax asset	2.12	7.717	4.749	0	0
Other long term receivables	2.19	8.832	16.515	146	142
Total Non-Current Assets		**601.520**	**605.852**	**246.967**	**252.408**
Inventories	2.21	45.583	31.482	14.831	18.839
Trade and other short term receivables	2.20	133.864	145.575	110.370	105.917
Other financial assets	2.18	637	914	0	0
Cash and cash equivalents	2.22	162.461	238.041	33.146	20.434
Total Current Assets		**342.545**	**416.012**	**158.347**	**145.190**
TOTAL ASSETS		**944.065**	**1.021.864**	**405.314**	**397.598**
EQUITY AND LIABILITIES					
Share capital	2.23	47.089	47.689	47.089	47.689
Treasury shares	2.23	-8.528	-2.149	-8.528	-2.149
Other reserves	2.23	64.962	56.738	53.125	43.579
Foreign currency translation	2.23	-87.955	-76.747	0	0
Retained earnings	2.24	-9.268	32.291	-34.804	-4.558
Total equity attributable to shareholders of the parent		**6.300**	**57.822**	**56.882**	**84.561**
Non-Controlling Interest		28.145	31.966	0	0
Total Equity		**34.445**	**89.788**	**56.882**	**84.561**
Long term debt	2.25	735.297	727.988	286.380	232.179
Staff retirement indemnities	2.26	5.111	5.451	3.249	3.489
Other long term provisions	2.31	7.560	7.993	7.446	7.612
Deferred Tax liabilities	2.12	11.294	15.054	5.657	5.803
Other long term liabilities	2.28	2.256	1.069	273	0
Finance lease obligation	2.32	1.797	1.389	0	0
Total Non-Current Liabilities		**763.315**	**758.944**	**303.005**	**249.083**
Trade and other short term liabilities	2.29	96.780	136.844	45.276	61.910
Short term debt and finance lease	2.25	40.655	19.345	0	0
Income tax payable	2.12	3.519	11.084	0	1.953
Short term provision	2.31	5.351	5.859	151	91
Total Current Liabilities		**146.305**	**173.132**	**45.427**	**63.954**
TOTAL LIABILITIES		**909.620**	**932.076**	**348.432**	**313.037**
TOTAL EQUITY AND LIABILITIES		**944.065**	**1.021.864**	**405.314**	**397.598**

STATEMENT OF CHANGES IN EQUITY OF THE GROUP

STATEMENT OF CHANGES IN EQUITY INTRALOT GROUP (Amounts reported in thousand of €)	Share Capital	Treasury Shares	Legal Reserve	Other Reserves	Foreign exchange differences[2]	Retained Earnings	Total	Non-Controlling Interest	Grand Total
Opening Balance 1 January 2018 prior to the application of IFRS 9 & 15 and IAS 29	**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]						-6.993	**-6.993**	-1.306	**-8.299**
Effect from the application of IAS 29 [1]			626			5	**631**	631	**1.262**
Opening Balance 1 January 2018 after the application of IFRS 9 & 15 and IAS 29	**47.689**	**-2.149**	**28.827**	**28.537**	**-76.747**	**24.366**	**50.523**	**31.291**	**81.814**
Effect on retained earnings from previous years adjustments						-64	**-64**	-12	**-76**
New consolidated associate companies				-10		-314	**-324**		**-324**
Period's results						-25.649	**-25.649**	52.610	**26.961**
Other comprehensive income / (expenses) after tax				2.154	-11.208	-102	**-9.156**	-5.038	**-14.194**
Associate companies stock options						142	**142**		**142**
Dividends to equity holders of parent / non-controlling interest							**0**	-39.214	**-39.214**
Subsidiary disposal/liquidation							**0**	-12.444	**-12.444**
Effect due to change in participation percentage						-768	**-768**	768	**0**
Repurchase of treasury shares		-8.588					**-8.588**		**-8.588**
Cancelation of treasury shares	-600	2.209				-1.609	**0**		**0**
Adjustment to net monetary position			184				**184**	184	**368**
Transfer between reserves			-4.216	9.486		-5.270	**0**		**0**
Balances as at 31 December 2018	**47.089**	**-8.528**	**24.795**	**40.167**	**-87.955**	**-9.268**	**6.300**	**28.145**	**34.445**

[1] Relates to adjustment of the opening balance from the first application of IFRS 9 and IFRS 15 (note 2.1.4) and IAS 29 (note 2.34)

[2] The change of the Reserve "Foreign currency translation" includes an amount of €1.327 thousand relating to reclassification/recycling in the income statement (line "Profit / (loss) after tax from discontinued operations") of accumulated valuation losses from the translation of the financial statements of the subsidiary Azerinteltek AS which were disposed in 2018.

STATEMENT OF CHANGES IN EQUITY INTRALOT GROUP (Amounts reported in thousand of €)	Share Capital	Treasury Shares	Legal Reserve	Other Reserves	Foreign exchange differences[1]	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						9	**9**	-65	**-56**
Period's results						-53.386	**-53.386**	47.365	**-6.021**
Other comprehensive income / (expenses) after tax				-430	-15.567	79	**-15.918**	-11.524	**-27.442**
Dividends to equity holders of parent / non-controlling interest							**0**	-44.895	**-44.895**
Subsidiary disposal/liquidation							**0**	-27.834	**-27.834**
Effect due to change in participation percentage						10	**10**	-25	**-15**
Transfer between reserves			1.125	2		-1.127	**0**		**0**
Repurchase of treasury shares		-440		5			**-435**		**-435**
Balances as at 31 December 2017	**47.689**	**-2.149**	**28.201**	**28.537**	**-76.747**	**32.291**	**57.822**	**31.966**	**89.788**

[1] The change of the Reserve "Foreign currency translation" includes an amount of €16.600 thousand relating to reclassification/recycling in the income statement (line "Profit / (loss) after tax from discontinued operations") of accumulated valuation losses from the translation of the financial statements of the subsidiaries (Favorit Bookmakers Office OOO, Supreme Ventures Ltd, Intralot Caribbean Ventures Ltd and Slovenske Loterie AS) which were disposed in 2017.

STATEMENT OF CHANGES IN EQUITY OF THE COMPANY

STATEMENT OF CHANGES IN EQUITY INTRALOT S.A. (Amounts reported in thousands of €)	Share Capital	Treasury Shares	Legal Reserve	Other Reserves	Retained Earnings	Total
Opening Balance 1 January 2018 prior to the application of IFRS 9 & 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 9 & 15	**47.689**	**-2.149**	**15.896**	**27.683**	**-7.579**	**81.540**
Period's results					-16.125	**-16.125**
Other comprehensive income /(expenses) after taxes				55		**55**
Repurchase / disposal of treasury shares		-8.588				**-8.588**
Cancelation of treasury shares	-600	2.209			-1.609	**0**
Transfer between reserves				9.491	-9.491	**0**
Balances as at 31 December 2018	**47.089**	**-8.528**	**15.896**	**37.229**	**-34.804**	**56.882**

[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 S.A. (Amounts reported in thousands 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					-11.450	**-11.450**
Other comprehensive income /(expenses) after taxes				-362		**-362**
Repurchase / disposal of treasury shares		-440		5		**-435**
Balances as at 31 December 2017	**47.689**	**-2.149**	**15.896**	**27.683**	**-4.558**	**84.561**

CASH FLOW STATEMENT OF THE GROUP/COMPANY

Amounts reported in thousands of € (total operations)	Note	GROUP		COMPANY	
		1/1-31/12/2018	1/1-31/12/2017	1/1-31/12/2018	1/1-31/12/2017
Operating activities					
Profit / (loss) before tax from continuing operations		-2.162	-10.283	-11.789	-12.012
Profit / (loss) before tax from discontinued operations	2.31	52.281	35.694	0	0
Profit / (loss) before Taxation		**50.119**	**25.411**	**-11.789**	**-12.012**
Plus / Less adjustments for:					
Depreciation and amortization	2.5	65.553	64.554	13.365	13.366
Provisions		22.174	5.673	-6.545	4.125
Results (income, expenses, gain and loss) from investing activities		-33.658	29.402	-6.361	-6.549
Interest and similar expenses	2.10	50.445	70.605	16.895	17.212
Interest and similar income	2.10	-8.342	-7.637	-4.666	-3.254
(Profit) / loss to net monetary position	2.34	130	0	0	0
Plus / less adjustments for changes in working capital:					
Decrease / (increase) of inventories		-10.337	-5.072	-1.421	-1.207
Decrease / (increase) of receivable accounts		1.218	-13.718	-4.583	4.228
(Decrease) / increase of payable accounts (except banks)		-24.785	20.961	-11.878	-5.544
Less: Income tax paid		23.959	36.148	-1.586	7.646
Total inflows / (outflows) from operating activities (a)		**88.558**	**154.031**	**-15.397**	**2.719**
Investing Activities					
(Purchases) / Sales of subsidiaries, associates, joint ventures and other investments	2.18/ 2.31	5.950	18.342	0	14.000
Purchases of tangible and intangible assets	2.14 /2.16	-103.660	-74.281	-12.581	-15.518
Proceeds from sales of tangible and intangible assets	2.14 /2.16	473	513	0	120
Interest received		5.614	6.762	906	1.470
Dividends received		7.958	2.377	10.811	18.670
Total inflows / (outflows) from investing activities (b)		**-83.665**	**-46.287**	**-864**	**18.742**
Financing Activities					
Repurchase of treasury shares	2.23	-8.588	-440	-8.588	-440
Cash inflows from loans	2.25	87.339	587.295	37.000	0
Repayment of loans	2.25	-53.681	-509.527	0	-18.700
Bond buy backs	2.25	-5.004	0	0	0
Repayments of finance lease obligations	2.25	-8.096	-3.215	0	0
Interest and similar expenses paid		-48.835	-51.761	614	-1.812
Dividends paid	2.24	-36.317	-38.621	0	0
Total inflows / (outflows) from financing activities (c)		**-73.182**	**-16.269**	**29.026**	**-20.952**
Net increase / (decrease) in cash and cash equivalents for the period (a) + (b) + (c)		**-68.289**	**91.475**	**12.765**	**509**
Cash and cash equivalents at the beginning of the period	2.22	**238.041**	**164.401**	**20.434**	**20.356**
Net foreign exchange difference		-7.291	-17.835	-53	-431
Cash and cash equivalents at the end of the period from total operations	2.22	**162.461**	**238.041**	**33.146**	**20.434**

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 47 countries and states, with approximately 5.200 employees and revenues from continuing operations €0,9 billion for 2018, INTRALOT has established its presence on all 5 major continents.

The annual financial statements of the Group and the Company for the period ended December 31, 2018 were approved by the Board of Directors on April 15, 2019.

2. NOTES TO ANNUAL 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 the 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 December 31, 2018 have been prepared in accordance with International Financial Reporting Standards (I.F.R.S.), including the International Accounting Standards (IAS) and Interpretations issued by International Financial Reporting Interpretations Committee (IFRIC), that have been endorsed by the European Union as of December 31, 2018.

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 December 31, 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

New standards, amendments of published standards and interpretations mandatory for accounting periods beginning on 1st January 2018. The Group's assessment of the impact of these new and amended standards and interpretations is set out below.

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.

The Group finalised during the last quarter of 2018 the analysis of the impact of the IFRS 9 application and has assessed the following as the most significant impact of the adoption of this Standard by application field:

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 expected-loss impairment model on 1/1/2018 led to a cumulative effect of €8.299 thousand after taxes in the Group (Company and subsidiaries: €7.149 thousand / Group share to associates: €1.150 thousand) 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.

Detailed description of the new expected-loss impairment model that applied by the Group is presented in the paragraph 2.1.12.I.d of accounting policies.

Cumulative 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
Other long term receivables	-2.561	0
Total Non-Current Assets	**-3.711**	**0**
Trade and other short term receivables	-4.588	-2.688
Total Current Assets	**-4.588**	**-2.688**
TOTAL ASSETS	**-8.299**	**-2.688**
EQUITY AND LIABILITIES		
Retained earnings	-6.993	-2.688
Total equity attributable to shareholders of the parent	**-6.993**	**-2.688**
Non-Controlling Interest	-1.306	0
Total Equity	**-8.299**	**-2.688**
TOTAL EQUITY AND LIABILITIES	**-8.299**	**-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) which the company expects to be entitled in exchange for those goods or services. The new Standard also results 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 last quarter 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 2018 Group revenue from the activities of the category "Licensed operations" was 66,3% of total revenue from continuing operations and amounted to €577.697 thousand.

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 applicable Standards until 31/12/2017, 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 materially affect the revenue recognition in this category, apart from reclassification of consideration payable to customers (bonuses, marketing incentives, etc.) from "Cost of Sales" and "Selling Expenses" to be deducted by "Sale Proceeds", than amounted to €2.638 thousand for the fiscal year 2018 and did not affect the level of year's results.

b) Management contacts (Game management):

During fiscal year 2018 Group revenue from the activities of the category "Management contracts" was 10,4% of total revenue from continuing operations and amounted to €90.255 thousand.

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 applicable Standards until 31/12/2017, 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 materially affect the revenue recognition in this category, apart from reclassification of consideration (bonuses, marketing incentives, etc.) payable to customers, or customers of Group's customers when the Group operates as an agent, from "Cost of Sales" and "Selling Expenses" to be deducted by "Sale Proceeds", of which for the year 2018 amounted to €17.432 thousand and did not affect the level of the results.

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

During fiscal year 2018 Group revenue from "Technology and support services" was 23,3% of total revenue from continuing operations and amounted to €202.881 thousand.

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		0	0
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	0	0	0
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 2018

Amounts reported in thousand €	Adjustments	GROUP 1/1-31/12/2018	COMPANY 1/1-31/12/2018
Sale Proceeds	(b),(c),(e)	-19.729	104
Less: Cost of Sales	(a), (e)	2.497	0
Gross Profit /(loss)		**-17.232**	**104**
Selling Expenses	(e)	17.432	0
EBIT		**200**	**104**
EBITDA		**341**	**104**
Foreign exchange differences		-17	-17
Operating Profit/(loss) before tax from continuing operations		**183**	**87**
Tax	(d)	-13	-22
Profit / (loss) after tax from continuing operations (a)		**170**	**65**
Profit / (loss) after tax from discontinued operations (b)		0	0
Profit / (loss) after tax (continuing and discontinued operations) (a)+(b)		**170**	**65**
Attributable to:			
Equity holders of parent			
-Profit/(loss) from continuing operations		170	65
-Profit/(loss) from discontinued operations		0	0
		170	**65**
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		0,0011	0,0004
-diluted		0,0011	0,0004
Weighted Average number of shares		152.317.558	152.317.558

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).

(e) Consideration payable to customers

Refer to reclassifications from "Cost of Sales" and "Selling Expenses", to be deducted by "Sale Proceeds", related to consideration payable to customers (bonus, marketing incentives, etc.)

Impact by geographical operating segment

Amounts reported in thousand €	GROUP 1/1-31/12/2018			
	European Union	America	Other	Total
Sale Proceeds	-2.297	0	-17.432	-19.729
Less: Cost of Sales	2.638	-141	0	2.497
Gross Profit /(loss)	**341**	**-141**	**-17.432**	**-17.232**
Selling Expenses	0	0	17.432	17.432
EBIT	**341**	**-141**	**0**	**200**
EBITDA	**341**	**0**	**0**	**341**
Foreign exchange differences	-17	0	0	-17
Operating Profit/(loss) before tax from continuing operations	**324**	**-141**	**0**	**183**
Tax	-51	38	0	-13
Profit / (loss) after tax from continuing operations (a)	**273**	**-103**	**0**	**170**
Profit / (loss) after tax from discontinued operations (b)	0	0	0	0
Profit / (loss) after tax (continuing and discontinued operations) (a)+(b)	**273**	**-103**	**0**	**170**
Attributable to:				
Equity holders of parent				
-Profit/(loss) from continuing operations	273	-103	0	170
-Profit/(loss) from discontinued operations	0	0	0	0
	273	**-103**	**0**	**170**
Non-Controlling Interest				
-Profit/(loss) from continuing operations	0	0	0	0
-Profit/(loss) from discontinued operations	0	0	0	0
	0	**0**	**0**	**0**

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

Impact in Statement of Comprehensive Income of 2018

Amounts reported in thousand €	GROUP 1/1-31/12/2018	COMPANY 1/1-31/12/2018
Profit / (loss) after tax (continuing and discontinued operations) (a)+(b)	**170**	**65**
Attributable to:		
Equity holders of parent		
-Profit/(loss) from continuing operations	170	65
-Profit/(loss) from discontinued operations	0	0
	170	**65**
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	-62	0
Other comprehensive income/ (expenses) after tax	**-62**	**0**
Total comprehensive income / (expenses) after tax	**108**	**65**
Attributable to:		

Equity holders of parent	108	65
Non-Controlling Interest	0	0

There is no significant impact in Cash Flow Statement 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 recognise 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 do not 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. These amendments are not expected to significantly affect the Group's 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 31/12/2018 the Group had commitments from non-cancellable operating leases amounting to €20,5 million note 2.32.C.i&iii.

The Group will apply IFRS 16 since, using the simplified transition method ("modified retrospective approach"), without restatement of comparative figures for prior years. According to this method, the Group will recognise:

a) Liability for leasing, which will be measured as the present value through discounting of future rentals applying the incremental borrowing rate as of the standard initial application date, and

b) "right-of-use asset", which will be recognised at an amount equal to the relevant liability for leasing, adjusted for prepayments and accrued lease payments that had been recognized in Statement of Financial Position as of 31/12/2018.

Also, the Group will use the standard exemptions for leasing contracts with a remaining term less than twelve months at the initial standard application date, for contracts with a low value leased asset, as well as for short term. It is estimated that the above exemptions will relate to commitments from non-cancellable operating leases amounting between €2 million and €3 million, mainly expiring within 1 year.

The Group is in the finalization process of the impact by the initial application of IFRS 16, and particularly in testing phase regarding the new computerized systems for the accounting of operating leases. On the basis of the information available up to the preparation of the financial statements, the Group estimates that will recognize on 1/1/2019 new tangible assets ("right-of-use assets") for leasing that refer to Buildings & Installations, Machinery & Equipment, Transport Equipment, Furniture & Fixtures, amounting between €21 million and 24 million (including prepayments and accrued lease payments that had been recognized in Statement of Financial Position as of 31/12/2018, amounting approximately to €7 million). After the initial recognition, the Group will remeasure the right-of-use assets and will depreciate them on a straight line basis through the whole leasing term. Respectively, the Group estimates that will recognize on 1/1/2019 liabilities for the above leases amounting between €14 million and €17 million. After the initial recognition, the Group will remeasure the above liabilities and will increase/decrease them through the recognition of the relevant interest and the lease payments. The Group does not expect a significant impact on equity by the initial application of IFRS 16.

The estimated positive impact on Group EBITDA for 2019, is expected to be between €5 million and €6 million, since according to IAS 17 payments from operating leases were included in EBITDA, while after the application of IFRS 16 the right-of-use assets depreciation charges and the liabilities interest charges will not be include in EBITDA calculation. Finally, Group cash flows from operating activities will increase in 2019, and respectively cash flows from financing activities will decrease for an amount between €4 million and €5 million, since payments for liabilities principal and interest will be classified as cash flows from financing activities.

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

(COMMISSION REGULATION (EU) No. 2019/237 of 8th February 2019, L 39/1 - 11/2/2019)

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.

IFRS 3 (Amendment) "Business Combinations"

This applies to annual accounting periods starting on or after 1st January 2020. Earlier application is permitted.

In October 2018 the IASB issued narrow-scope amendments to IFRS 3 "Business Combinations" to improve the definition of a business. The amendments will help companies determine whether an acquisition made is of a business or a group of assets. The amended definition emphasizes that the output of a business is to provide goods and services to customers, whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits to investors and others. In addition to amending the wording of the definition, the Board has provided supplementary guidance. Distinguishing between a business and a group of assets is important because an acquirer recognizes goodwill only when acquiring a business.

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 1 & IAS 8 (Amendments) "Clarification of "material" definition"

This applies to annual accounting periods starting on or after 1st January 2020. Earlier application is permitted.

In October 2018 the IASB issued amendments to IAS 1 "Presentation of Financial Statements" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" regarding its definition of material to make it easier for companies to make materiality judgments. The definition of material, an important accounting concept in IFRS Standards, helps companies decide whether information should be included in their financial statements. The amendments are a response to findings that some companies experienced difficulties using the old definition when judging whether information was material for inclusion in the financial statements. The amendments clarify the definition of material and how it should be applied by including in the definition guidance that until now has featured elsewhere in IFRS Standards. In addition, the explanations accompanying the definition have been improved. Finally, the amendments ensure that the definition of material is consistent across all IFRS Standards.

Old definition: Omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions that users make on the basis of the financial statements (IAS 1 Presentation of Financial Statements).

New definition: Information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

These amendments have not yet been endorsed by the European Union.

IAS 19 (Amendment) "Employee benefits"

(COMMISSION REGULATION (EU) No. 2019/402 of 13th March 2019, L 72/6 - 14/3/2019)

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.

IFRIC 23 "Uncertainty over Income Tax Treatments"

(COMMISSION REGULATION (EU) No. 2018/1595 of 23rd October 2018, L 265/3 -24/10/2018)

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.

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.

Revision of the Conceptual Framework for Financial Reporting

This applies to annual accounting periods starting on or after 1st January 2020.
In March 2018, the IASB issued the revised Conceptual Framework for Financial Reporting (Conceptual Framework), the objective of which was to incorporate some important issues that were not covered, as well as update and clarify some guidance that was unclear or out of date. The revised Conceptual Framework includes a new chapter on measurement, which analyzes the concept on measurement, including factors to be considered when selecting a measurement basis, concepts on presentation and disclosure, and guidance on derecognition of assets and liabilities from financial statements. In addition, the revised Conceptual Framework includes improved definitions of an asset and a liability, guidance supporting these definitions, update of recognition criteria for assets and liabilities, as well as clarifications in important areas, such as the roles of stewardship, prudence and measurement uncertainty in financial reporting. The Group will assess the impact of the new framework on its financial statements.
These revisions have not yet been endorsed by the European Union.

Amendments to References to the Conceptual Framework in IFRS Standards

This applies to annual accounting periods starting on or after 1st January 2020.
In March 2018, the IASB issued Amendments to References to the Conceptual Framework, following its revision. Some Standards include explicit references to previous versions of the Conceptual Framework. The objective of these amendments is to update those references so that they refer to the revised Conceptual Framework and to support transition to the revised Conceptual Framework. The Group will assess the impact of the new framework on its financial statements.
These amendments 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

(COMMISSION REGULATION (EU) No. 2019/412 of 14th March 2019, L 73/93 - 15/3/2019)

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.

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 Basis of Consolidation

The consolidated financial statements comprise the financial statements of INTRALOT S.A. and its subsidiaries as at the end of each reporting period. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

Adjustments are made to bring in line any dissimilar accounting policies that may have existed. All intercompany balances and transactions, including unrealized profits arising from intra-group transactions, have been eliminated in full. Unrealized losses are eliminated unless costs cannot be recovered.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect the amount of its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statements of comprehensive income and financial position from the date the Group gains control until the date the Group ceases to control the subsidiary.

Changes in a parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners).

Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

If the Group loses control over a subsidiary, it:

- derecognizes the assets (including goodwill) and liabilities of the subsidiary,
- derecognizes the carrying amount of any non-controlling interests in the former subsidiary (including any components of other comprehensive income attributable to them),
- derecognizes the cumulative translation differences that have been recorded in equity,
- recognizes the fair value of the consideration received from the transaction,
- recognizes any investment retained in the former subsidiary at its fair value at the date when control is lost,
- reclassifies to profit or loss, (or transfers directly to retained earnings if required in accordance with other IFRSs), the amounts that have been recorded in the parent's share of other comprehensive income,
- recognizes any resulting difference as a gain or loss in profit or loss.

Where there is a loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting year during which the Group has control.

2.1.6 Business combination and goodwill

a) Subsidiaries

Subsidiaries are entities that are controlled by the Group. Subsidiaries are consolidated using the acquisition method according to IFRS 3. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each subsidiary acquired, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included to income statement.

At the acquisition date, the Group classifies or designates the identifiable assets acquired and liabilities assumed on the basis of the contractual terms, economic conditions, its operating or accounting policies and other pertinent conditions as they exist at the acquisition date**.**

In a business combination achieved in stages, the Group remeasures its previously held equity interest in the acquiree at its acquisition-date fair value and recognizes the resulting gain or loss in profit or loss. In prior reporting periods, the Group may have recognized changes in the value of its equity interest in the acquiree in other comprehensive income (i.e. due to the fact that the investment has been classified as available for sale). If so, the amount that was recognized in other comprehensive income shall be recognized on the same basis as would be required if the Group had disposed directly of the previously held equity interest.

The Group recognizes any contingent consideration at the fair value, at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or a liability will be recognized in accordance with IFRS 9 either in income statement or as a change in other comprehensive income. If the contingent consideration is not within the scope of IFRS 9, it is measured in accordance with the appropriate IFRS. If the contingent consideration is classified as equity, it shall not be remeasured until it is finally settled within equity.

Goodwill in a business acquisition is initially measured at cost being the excess of the consideration transferred, the amount recognized for non-controlling interests and any previous interest held, over the net fair value of the identifiable assets acquired and liabilities assumed of the acquiree. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss. Any goodwill arising on the acquisition of a foreign subsidiary and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate accordingly.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Based on IFRS 3 "Business combinations", Goodwill is not amortized. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Impairment is determined by assessing the recoverable amount of the cash-generating unit, to which the goodwill relates. Where recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognized.

Where goodwill forms part of a cash generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Any impairment losses that have been recognized for goodwill, will not be reversed in future periods.

Investments in subsidiaries are stated in the individual statement of financial position of the Company at their cost less any impairment in value.

b) Investment in associates and joint ventures

Associates are entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investments in associates and joint ventures are accounted for using the equity method.

Under this method, investments in associates or joint ventures are carried in the statement of financial position at cost plus post acquisition changes in the Group's share of net assets of the associate or joint venture. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is neither amortized nor individually tested for impairment.

The income statement reflects the Group's share of the post-acquisition associate's or joint venture's results after taxes and non-controlling interests of the associate's or joint venture's subsidiaries. Any change in other comprehensive income of those investees is presented as part of the Group's other comprehensive income. Also, the Group's share of the changes in associates' or joint ventures' equity is directly recognized to the consolidated statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

If an associate or joint venture uses accounting policies other than those of the Group for similar transactions and events in similar circumstances, adjustments are made to the associate's or joint venture's financial statements so as to apply the equity method.

The financial statements of associates or joint ventures are prepared for the same reporting period as the parent company.

If the Group's share of losses of an associate or joint venture equals or exceeds its interest in the associate or joint venture, the Group discontinues recognizing its share of further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

After application of the equity method, the Group applies the requirements of the relative IFRSs to determine whether it is necessary to recognize any additional impairment loss with respect to its net investment in the associate or joint venture. The Group incurs impairment test at the end of each reporting period comparing the recoverable amount of the investment in associate or joint venture to its carrying value and recognizes the difference in the income statement of the period.

The Group discontinues the use of the equity method from the date when it ceases to have significant influence over an associate or joint control over a joint venture and accounts for the investment in accordance with IFRS 9 measuring the investment at fair value. Any difference between the carrying amount and the fair value of the investment in associate or joint venture is recognized in the income statement of the period.

Investments in associates or joint venture are stated in the statement of financial position of the Company at their cost less any impairment in value.

2.1.7 Foreign Currency Translation

The functional and presentation currency of INTRALOT S.A. and its subsidiaries which are located in Greece is the euro (€). The Group's consolidated financial statements are presented in euros. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

a) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rates of exchange at the reporting date.

All resulting differences are taken to the consolidated income statement with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to Other Comprehensive Income until the disposal of the net investment, at which time they are recognized in the consolidated income statement. Tax charges and credits attributable to exchange differences on those borrowings are also dealt with in Other Comprehensive Income.

Exchange differences resulting from financial assets and liabilities (intragroup loans and long term non trade receivables/payables for which settlement is neither planned nor likely to occur in the foreseeable future) that has been classified as part of an entity's net investment in a subsidiary with foreign operations, are recognised in income statement in the separate financial statements of the entity or/and subsidiary. In the consolidated financial statements, the above exchange differences are recognised in other comprehensive income and included in the exchange differences reserve. When the settlement of the above financial assets and liabilities is planned or likely to occur in the foreseeable future, cumulative exchange differences in reserves are reclassified in consolidated income statement since the financial assets and liabilities cease to be part of an entity's net investment in a subsidiary with foreign operations. The same accounting treatment of reclassification applied on the subsidiary disposal.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

b) Group companies

The functional currency of the overseas subsidiaries is the currency of the country in which these subsidiaries are located and operate. As at the reporting date, the assets and liabilities of these overseas subsidiaries are translated into the presentation currency of INTRALOT S.A. at the rate of exchange ruling at the reporting date and, their statements of comprehensive income are translated at the weighted average exchange rates for the year. The resulting exchange differences arising on the retranslation are taken directly to a separate component of Other Comprehensive Income. On disposal of a foreign entity, the deferred cumulative amount recognized in Other Comprehensive Income relating to that particular foreign operation shall be transferred to the income statement.

2.1.8 Tangible assets

Tangible assets are stated at cost less accumulated depreciation and any impairment in value. Such cost includes the cost of replacing the tangible assets and borrowing costs for long-term construction assets if the recognition criteria are met.

Depreciation is calculated on a straight-line basis over the useful life of the asset as follows:

• Buildings (owned)	20 to 30 years
• Installations on third party property	Over the duration of the lease but not less than 5% per annum
• Installations and Equipment	5 to 15 years
• Machinery and Equipment	4 to 10 years
• Computer Hardware	20% to 30% per annum
• Transportation Equipment-Motor vehicles	7 years or 15% per annum

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the year the item is derecognized. The assets' residual values and useful lives are reviewed at each financial year end, and adjusted prospectively, if appropriate.

As regards hardware and software leased under operating lease, these assets, in the group statement of financial position are disclosed in acquisition cost values and are depreciated using the straight line method and according to the lower period between the useful life and the contract life, taking also into account their residual value at the end of the relative contract life as well as the collecting cost. In case of the respective contracts renewal the assets' remaining net book value is depreciated according to the renewed contract life.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The recoverable amount is the greater of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using an after-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for public traded companies or other available fair value indicators. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in the income statement.

2.1.9 Borrowing costs

Since January 1st 2009, borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

2.1.10 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at historical cost less provisions for depreciation and impairment. Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the carrying amount at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under tangible assets up to the date of change in use.

2.1.11 Intangible assets

Intangible assets acquired individually, are capitalized at cost and those acquired through a business combination at fair values at the acquisition date. After initial recognition, intangibles are valued at cost less accumulated amortization and any impairment in value. Useful lives of these intangibles are assessed to be either finite or indefinite. Intangibles with finite useful lives are amortized as follows:

• Software platforms • Central operating software • Central Network software • Licenses • Rights	Over the duration of the longest contract
• Other software	3 to 5 years

Central operating systems used for several projects are amortized over their expected useful life, up to 20 years. The expected useful life is determined by reference to the longest duration of the relevant contracts and the Intralot Group's renewal track record in respect of such contract. Software that does not fall within the scope of particular contracts, is amortized at the expected useful life.

Amortization of finite life intangibles is recognized as an expense in the income statement apportioned to the related cost centers. Intangible assets with indefinite useful life are not amortized, but are tested for impairment annually, either individually or at the cash generating unit level.

Intangibles, except development costs, internally generated are not capitalized and the costs are included in the income statement in the year they are incurred.

The carrying values of intangible assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the intangible assets or cash-generating units are written down to their recoverable amount. The recoverable amount is the greater of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using an after-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the intangible asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for public traded companies or other available fair value indicators. For an intangible asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the intangible asset belongs. Impairment losses are recognized in the income statement.

Useful lives are also assessed annually and any revisions do not have retrospective application.

Gains or losses arising from derecognition of an intangible asset (that are measured as the difference between the net disposal proceeds and the carrying amount of the asset) are recognized in the income statement when the asset is derecognized.

Research and Development Costs

Research costs are expensed as incurred. Development expenditure incurred by individual project is capitalized if, and only if, the Group can demonstrate all of the following:

(a) the technical feasibility of completing the intangible asset so that it will be available for use or sale

(b) its intention to complete the intangible asset and use or sell it

(c) its ability to use or sell the intangible asset

(d) how the intangible asset will generate probable future economic benefits

(e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset

(f) its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Following the initial recognition of the development expenditure, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the capitalized development expenditure begins when development is complete and the asset is available for use. Any expenditure capitalized is amortized over the period of expected future sales from the related project.

The carrying value of development costs is reviewed for impairment annually when the asset is not yet in use, or more frequently when an indicator of impairment arises during the reporting year indicates that the carrying value may not be recoverable.

2.1.12 Financial instruments

i) Financial assets

(a) Recognition and measurement of financial assets

The Group recognizes a financial asset in its statement of financial position when, and only when, it becomes a party to the contractual provisions of the instrument. The Group initially recognizes trade and other receivables on the date of transaction. At initial recognition, under IFRS 9, all financial assets, except for certain trade receivables, are recognized initially at their fair value plus transaction costs (except financial assets measured at Fair Value through Profit or Loss, where transaction costs are expensed).

(b) Classification of non-derivative financial assets

i) Debt financial instruments

Debt financial instruments within the scope of IFRS 9 are classified according to: (i) the Group's business model for managing the assets, and (ii) whether the instruments' contractual cash flows on specified dates represent "solely payments of principal and interest" on the principal amount outstanding (the "SPPI criterion"), in the below three categories:

- Debt instruments at amortised cost,
- Debt instruments at Fair Value through Other Comprehensive Income ("FVOCI"), and
- Debt instruments at Fair Value through Profit or Loss ("FVPL").

The subsequent measurement of debt financial instruments depends on their classification as follows:

Debt instruments at amortised cost:

Include financial assets that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the SPPI criterion. After initial measurement these debt instruments are measured at amortized cost using the effective interest method. Gains or losses arising from derecognition and impairment recognized in the income statement as finance costs or income, as well as the EIR income through the amortization process. This category includes Group's "Trade and other short term receivables", "Other long term receivables" and Bonds that meet the above criteria and included in "Other financial assets".

Debt instruments at FVOCI:

Include financial assets that are held within a business model with the objective both to collect contractual cash flows and to sell the financial assets, and meet the SPPI criterion. After initial measurement these debt instruments are measured at fair value with unrealized gains or losses recognized as other comprehensive income in revaluation reserve. When the assets are sold, derecognized or impaired the cumulative gains or losses are transferred from the relative reserve to the income statement of the period.

Interest income calculated using the effective interest method, foreign exchange gains or losses and impairment are recognised in income statement.

Debt instruments at FVPL:

Include financial assets that are not classified to the two above categories because cash flow characteristics fail the SPPI criterion or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell. After initial measurement these debt instruments are measured at fair value with unrealized gains or losses, including any interest income, recognized in income statement as financial income or expenses respectively.

ii) Equity financial instruments

Equity financial instruments within the scope of IFRS 9 are classified according to the Group's intention to hold or not for the foreseeable future and its election at initial recognition to classify at FVOCI or not, in the below two categories:

- Equity instruments at FVOCI, and
- Equity instruments at FVPL.

The subsequent measurement of equity financial instruments depends on their classification as follows:

Equity instruments at FVOCI:

Include financial assets, which the Group intends to hold for the foreseeable future ("Not held for sale") and which the Group has irrevocably elected at initial recognition to classify at FVOCI. This election is made on an investment-by-investment basis. After initial measurement these financial assets are measured at fair value with unrealized gains or losses recognized as other comprehensive income in revaluation reserve. When the assets are sold or derecognized the cumulative gains or losses are transferred from the relative reserve to retained earnings (no recycling to income statement of the period). Equity instruments at FVOCI are not subject to an impairment assessment under IFRS 9. Dividends are recognized as "finance income" in income statement, unless the dividend clearly represents a recovery part of the cost of the investment.

Equity instruments at FVPL:

Include financial assets, which the Group has not irrevocably elected at initial recognition to classify at FVOCI. After initial measurement these equity instruments are measured at fair value with unrealized gains or losses, including any interest or dividend income, recognized in income statement as financial income or expenses respectively.

(c) Derecognition of financial assets

The Group ceases recognizing a financial asset when and only when:

- the contractual rights to the cash flows from the financial asset expire or
- the Group has transferred its contractual right to receive cash flows from an asset, or retains this right to receive cash flows from an asset but has assumed a contractual obligation to pay the cash flows to a third or more parties, or has transferred substantially all risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred the control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has assumed a contractual obligation to pay the cash flows to a third or more parties, but in parallel has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset.

When the Group's continuing involvement takes the form of a guarantee over the transferred asset, the extent of continuing involvement is measured at the lower of the carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay ("the guarantee amount"). When the entity's continuing involvement takes the form of a written or purchased option (or both) on the transferred asset (including cash-settled options), the extent of the entity's continuing involvement is the amount of the transferred asset that the Group may repurchase. However, in case of a written put option on an asset that is measured at fair value, the extent of the continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise.

(d) Impairment of financial assets

IFRS 9 requires the Group to recognize loss allowance for Expected Credit Losses ("ECLs") on:

- Debt instruments at amortised cost,
- Debt instruments at FVOCI, and
- Contract assets (as defined in IFRS 15).

ECLs are a probability-weighted estimate of credit losses and are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective rate.

Under IFRS 9, loss allowances will be measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The Group applies the general model for recognizing expected credit losses rather than the simplified approach based on the relevant exemption provided by IFRS 9 due to the wide dispersion of its activities both geographically and due to the nature of the activities and the different characteristics of the counterparties (from small local gambling agencies to large state lotteries and other gambling organizations).

This model follows a three-step approach to credit risk grading:

Stage 1: Performing financial assets without credit risk deterioration:

This stage includes financial assets whose credit risk has not deteriorated significantly since initial recognition or which have a low credit risk at the reporting date. Expected credit losses are calculated and recognized for the period of the next 12 months.

Stage 2: Performing financial assets with credit risk deterioration:

This stage includes financial assets whose credit risk has deteriorated significantly since initial recognition (unless they have a low credit risk at the reporting date) but there is no objective evidence of impairment. Expected credit losses are calculated and recognized for the full life of the financial asset.

Stage 3: Non-performing financial assets:

This stage includes financial assets for which there is objective evidence of impairment at the reporting date. Expected credit losses are calculated and recognized for the full life of the financial asset.

For "Trade and other short term receivables", "Other long term receivables" and "Contract assets" (as defined in IFRS 15), the Group calculates the ECLs according to the stage of each of them, examining them on a standalone basis.
For other debt financial assets (i.e. debt instruments at FVOCI) that are determined to have low credit risk, ECL is based on 12-months ECL approach. However, when there has been a significant increase in credit risk since initial recognition, the allowance will be based on the lifetime ECL approach.

A key factor in recognizing expected credit losses over the life of a financial asset or over the next twelve months, is the credit risk significant deterioration after initial recognition or not, compared to the corresponding credit risk at the initial recognition of the financial asset.
When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information. IFRS 9 makes a presumption that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due. However, this presumption can be rebut if there are reasonable and supportable information that is available without undue cost or effort, that demonstrates that the credit risk has not increased significantly since initial recognition even though the contractual payments are more than 30 days due.
The Group considers a financial asset to be in default when the borrower/debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security, collateral, mortgage, etc. Objective presumption for a credit-impaired financial asset, is the delay in collection over the days set as a threshold for each of them (examining them on standalone basis). The range of days that have been set as a threshold for the Group ranges between 30 and 210.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

The three components of the calculation model of ECLs are as follows:

- Exposure at default ("EAD"): which represents the amount of the Group's exposure at the reporting date.
- Probability of default ("PD"): an estimate of the probability of default based on historical data, assumptions and future estimates. The probability arises for each of the counterparties initially calculating the DSOs (Days Sales Outstanding), which are then compared to the threshold set for that counterparty to determine whether it is at default or not, and then weighted on the basis of its value weight and exponential time factors.
- Loss given default ("LGD"): which represents the estimate of the loss that will occur on the default date. For the calculation of the loss due to default, any collaterals/securities held by the Group are taken into account.

The Group's held collaterals/securities for trade receivables at the reporting date relate to cash, as well as to mortgages on property.

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is "credit impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit impaired includes the following observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract, such as a default or past due event;
- the lender, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization;
- the disappearance of an active market for a financial asset because of financial difficulties; and
- the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt instrument at FVOCI, the loss allowance is charged to profit or loss and is recognised in Other Comprehensive Income.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

ii) Non-derivative financial liabilities

Financial liabilities include trade and other liabilities, bank overdrafts, loans and borrowings, as well as financial guarantee contracts.

(a) Recognition and measurement of financial liabilities

The Group recognizes a financial liability in its statement of financial position when, and only when, it becomes a party to the contractual provisions of the instrument. At initial recognition, financial liabilities are recognized at fair value and in case of loans and borrowings, less directly attributable transaction costs.

(b) Classification of non-derivative financial liabilities

After the initial measurement, the financial liabilities are measured as follows:

Financial liabilities measured at amortized cost:

All interest bearing loans and borrowings are initially measured at fair value less transaction cost directly attributable to the issuance of the financial liability. Subsequently are measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any issue costs, and any discount or premium on settlement. Gains and losses are recognized in the income statement when the liabilities are derecognized or impaired, as well as through the amortization process.

Financial liabilities at fair value through profit or loss:

Include financial liabilities held for trading, that are acquired or incurred principally for the purpose of selling or repurchasing it in the near term, are part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Such liabilities are measured at fair value and gains or losses from the measurement at fair value are recognized in the income statement.

Financial guarantee contracts:

Include contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. These contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently are measured at the higher of the amount determined in accordance with IAS 37 and the amount initially recognized less, when appropriate, cumulative amortization recognized in accordance with IFRS 15.

(c) Derecognition of financial liabilities

Financial liabilities are derecognized when the obligation is cancelled, extinguished or not exists any more. In the case that an existing liability is replaced by another from the same borrower but under substantially different terms, or in case that there are substantial changes in terms of an existing liability, then the initial financial liability is derecognized and a new liability recognized, and the resulting difference between balances is recognized in the income statement.

iii) Offsetting of financial instruments

The financial instruments are offset when the Group, according to law, has this legal right and there is an intention to settle them on a net basis (among them) or to realize the asset and settle the liability simultaneously.

iv) Derivative financial instruments and hedge accounting

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. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The fair value of these derivatives is mainly measured by reference of the market value and is verified by the financial institutions.

For the purpose of hedge accounting, derivative financial instruments are classified as:

- **fair value hedge**: hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment
- **cash flow hedge**: hedging the exposure to variability in cash flows that is either attributable to particular risk associated with a recognized asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction
- **hedge of a net investment in a foreign operation.**

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedge accounting:

Fair value hedge:

Gains or losses from subsequent measurement of the hedging instrument at fair value are recognized in the income statement as finance income/expenses (or other comprehensive income, if the hedging instrument hedges an equity instrument for which the Group has elected to present changes in FVOCI).

Cash flow hedge:

The effective portion of the gain or loss on the hedging instrument is recognized directly as other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognized immediately in the income statement as finance income/expenses.

Amounts recognized as other comprehensive income are transferred to the income statement in the same period or periods during which the asset acquired or liability assumed affects profit or loss (such as in the periods when the hedged financial income or financial expense is recognized or when a forecast sale occurs).

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve and the cost of hedging reserve remains in equity until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to income statement in the same period or periods as the hedged expected future cash flows affect income statement.

If the forecast transaction or firm commitment is no longer expected to occur, the cumulative gain or loss previously recognized in other comprehensive income are transferred to the income statement.

Hedge of a net investment in a foreign operation:

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognized as other comprehensive income while any gains or losses relating to the ineffective portion are recognized in the income statement. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in other comprehensive income is transferred to the income statement.

v) Fair value of financial instruments

For investments that are actively traded in organized markets, fair values are determined in relation to the closing traded values at the reporting date. For investments where there is no quoted market price, fair value is determined by reference to the current market value of another item substantially similar, or is estimated based on the expected cash flows of the underlying net asset that consists the base of the investment or on acquisition cost.

2.1.13 Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined using the weighted average method. Net realizable value is the estimated selling price in the ordinary course of business of the Group, less the estimated costs necessary to make the sale. Provisions for impairment of the inventories value are recorded when it is needed and recognized in the income statement.

2.1.14 Trade and other short term receivables

Trade receivables are recognized and carried at original invoice amount less an allowance for doubtful provisions, that are estimated acoording to IFRS 9.

When the inflow of cash or cash equivalents arising from goods sale or services rendering is deferred, the fair value of the consideration may be less than the nominal amount of cash received or receivable. When the arrangement effectively constitutes a finance transaction, the fair value of the consideration is determined by discounting all future receipts using the prevailing interest rate for a similar instrument of an issuer with a similar credit rating. The difference between the fair value and the nominal amount of the consideration is recognized as interest revenue in the future periods, in accordance with IFRS 9.

2.1.15 Cash and Cash Equivalents

Cash and cash equivalents in the statement of financial position include cash at bank, short-term deposits and cash in hand along with other high liquidity investments that are subject to an insignificant risk of changes in value and have an original maturity of three months or less.

Bank overdrafts are included in the short-term bank loans in the statement of financial position. Also, cheques payables that have not been paid at the reporting date are included in short-term liabilities.

For cash flow statement purposes, cash and cash equivalents include what is defined above, without the netting of outstanding bank overdrafts.

2.1.16 Long Term Liabilities

All long term liabilities are initially recognized at cost. Following initial recognition, liabilities that are denominated in foreign currency are valued at the closing exchange rate of each reporting date. Any interest expenses are recognized on an accruals basis.

2.1.17 Provisions and Contingent Liabilities

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain the expense relating to any provision is presented in the income statement net of any reimbursement. Provisions are re-examined at the reporting date and are adjusted so as to represent the present value of the expense that will be needed to settle the liability. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at an after-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a borrowing cost.

Contingent liabilities are not recognized in the financial statements but are disclosed, except if the probability of a potential outflow of funds embodying economic benefits is remote. Contingent assets are not recognized but are disclosed when the probability of a cash inflow is probable.

Provisions are recognized on each financial statements date (and interim) based on the best and reliable estimate for potential excess of cost (payments to winners) in games with predetermined odds, as this is provided by the contracts between the company and the clients. The provision amount arising from this calculation is recognized and booked as an expense.

2.1.18 Leases

Entity of the Group as lessee:

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the income statement. Capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as an expense in the income statement on a straight-line basis over the lease term.

Entity of the Group as Lessor:

In cases of hardware and software leasing through operating lease, these assets are included in the Group’s tangible assets. The lease income that occurs is recognized on a straight line basis through the contract period.

When fixed assets are leased through financial leasing, the present value of the lease is recognized as a receivable. The difference between the gross amount of the receivable and its present value is registered as a deferred financial income. The income from the lease is recognized in the period’s income statement during the lease using the net investment method, which represents a constant periodic return.

2.1.19 Share capital – Treasury shares

Share capital includes common and preference shares without voting right, which have been issued and being traded. Share premium reserve includes the excess of the shares par value received consideration. Any costs directly attributable to the issue of new shares are shown as a deduction in share premium reserve.

Treasury shares represent shares of the parent company held by the Group. Treasury shares are stated at cost and are deducted from Equity. Upon acquisition, disposal, issuance or cancellation of treasury shares, no gain or loss is recognized in the income statement. The consideration given or received and the related gains or losses from the settlement are recognized directly in Equity.

2.1.20 Share Based Payments

IFRS 2 "Share-based Payment" requires an expense to be recognized where the Group buys goods and services in exchange for shares ("equity-settled transactions") or rights over shares (stock options), or in exchange for other assets equivalent in value to a given number of shares or rights over shares ("cash-settled transactions").

The Group provides stock options to executives and employees. The fair value of the executives and employees, who receive these stock options, is recognized according to IFRS 2 as expenditure in the income statement, with a respective increase of equity, during the period that these services are received and the options provided. The estimation of the total amount of the stock options expenditure during the vesting period is based on the provided stock options fair value at the grant date. The stock options fair value is measured using the proper valuation model depending on the terms of each program, taking into account the proper data such as volatility, discounting factor and dividend yield. Detailed information about the relative stock option programs of the Company included in note 2.27.

Any outstanding stock options during the reporting period are taken into account for the calculation of the diluted earnings per share.

2.1.21 Staff Retirement Indemnities

Staff retirement indemnities are measured at the present value of the defined benefit obligations at the reporting date, through the recognition of the employees' right to benefits based on years of service over their expected working life. The above liabilities are calculated using financial and actuarial assumptions and are determined based on an actuarial valuation method (Projected Unit Credit Method). The net pension costs for the period are included in the accompanying statement of comprehensive income and consists of the present value of the benefits earned during the year, interest cost on the benefit liability, past service cost and any other additional pension costs that are recognised within staff costs in income statement, and the actuarial gains or losses that are fully recognized when they occur, in other comprehensive income without future reclassification in income statement. Total past service costs are recognized in income statement at the earlier of when the amendment occurs or when the Group recognizes the related restructuring or termination costs. The Company's pension benefit schemes are not funded.

2.1.22 State Insurance Programs

The Company employees are covered by the main State Insurance Organization for the private sector (IKA) that provides pension and medical benefits.

Each employee is obliged to contribute a percentage of the monthly salary to IKA while part of the total contribution is covered by the Company. On retirement, IKA is responsible for the payment of pensions to employees. Consequently, the Company does not have any legal or constructive obligation for the payment of future benefits based on this scheme.

2.1.23 Revenue recognition

Revenues are recognized in the period they are realized and the related amounts can be reliably measured. Revenues are measured at their fair value of the consideration received excluding discounts, consideration (bonus, marketing incentives, etc.) payable to customers, sales tax and duties. The following specific recognition criteria must also be met before revenue is recognized:

- ***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 by the Company 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 income 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.
  In the second (b) case that consists income 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).
  In the third (c) case that consists income from finance lease, it 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.
- ***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 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.
- ***Game management:*** 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 revenues mainly 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. 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, excluding consideration (bonus, marketing

incentives, etc.) payable to customer or to customers of Group's customer, when the Group operates as an agent.

- ***Game operation***: In this category, the 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 (installation of information systems, advertising and promotion, establishment of sales network, receipt of the payments from players, payment of winnings to players, etc. 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, excluding consideration (bonus, marketing incentives, etc.) payable to customer.
  Especially in the case of VLT revenue measured as the "net drop" (total price minus winnings/payout) received from the player-customer.
- ***Interest income:*** Interest income is recognized in the income statement using the effective interest rate method.
- ***Dividends:*** Dividend income is recognized in the income statement when the Group's right to receive the payment is established.
- ***Rental income:*** Rental income arising from operating leases on is accounted for on a straight-line basis during the lease term.

2.1.24 Taxes

Income tax

Current and deferred income taxes are calculated based on the financial statements of each entity included in the consolidated financial statements, based on the Greek tax laws or other tax frameworks within which the foreign subsidiaries operate. Income tax is calculated based on the profit of each entity as adjusted on their tax returns, for additional taxes arising from audits performed by the tax authorities and deferred taxes based on enacted or substantially enacted tax rates. In some foreign countries, a tax is calculated according to a simplified framework, sometimes referred to as a "simplified tax" which essentially replaces income tax to avoid the complex calculations required. The Group classifies the charge for the simplified tax in the Income Statement on the "Taxes" line.

Deferred income tax is provided, using the liability method, on all temporary differences at the reporting date between the tax base of assets and liabilities and their carrying amount.

Deferred income tax liabilities are recognized for all taxable temporary differences except:

- If the deferred income tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investment in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not be reversed in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences and carry-forward unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, or the unused tax losses can be utilized except if:

- the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and,
- in respect of deductible temporary differences associated with investment in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognized to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that apply at the year when the asset is expected to be realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

Deferred income tax is not measured by the Group as regards the undistributed profits of subsidiaries, branches, associates and joint ventures due to the elimination of intercompany profits, from relevant transactions, as they are considered insignificant.

Income tax relating to items recognized directly in Other Comprehensive Income is recognized in Other Comprehensive Income and not in the income statement.

Sales tax

Revenues, expenses and assets are recognized net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable and
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, is included as part of receivables or payables in the statement of financial position.

2.1.25 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant relates to an expense item, it is presented in the statement of financial position as deferred income and is recognised as deduction in the relative expenses on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

When the grant relates to an asset, it is presented in the statement of financial position as deferred income and is recognised as income in the profit or loss on a systematic basis over the expected useful life of the related asset.

2.1.26 Earnings per share

The basic earnings per share (EPS) are calculated by dividing net profit by the weighted average number of ordinary shares outstanding during each year, taking into account the average number of ordinary shares of the parent held by the Group as treasury shares.

The diluted earnings per share are calculated by dividing the net profits attributable to the equity holders of the parent company by the weighted average number of ordinary shares outstanding during the year (adjusted for the effect of the average number of share option rights outstanding during the year).

2.1.27 EBITDA & EBIT

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

Reconciliation of operating profit before tax to EBIT and EBITDA (continuing operations):	GROUP 1/1-31/12/2018	GROUP 1/1-31/12/2017
Operating profit/(loss) before tax	**-2.162**	**-10.283**
Profit/(loss) to net monetary position	130	0
Profit/(loss) equity method consolidation	18.309	3.412
Foreign exchange differences	-8.136	5.733
Interest and similar income	-8.122	-6.887
Interest and similar expenses	50.404	69.951
Income/(expenses) from participations and investments	-18.396	24.064
Gain/(loss) from assets disposal, impairment losses & write-off of assets	19.283	2.278
EBIT	**51.310**	**88.268**
Depreciation and amortization	65.222	62.777
EBITDA	**116.532**	**151.045**

Reconciliation of operating profit before tax to EBIT and EBITDA (continuing operations):	COMPANY 1/1-31/12/2018	COMPANY 1/1-31/12/2017
Operating profit/(loss) before tax	**-11.789**	**-12.012**
Foreign exchange differences	-213	589
Interest and similar income	-4.666	-3.254
Interest and similar expenses	16.895	17.208
Income/(expenses) from participations and investments	-6.147	-7.136
Gain/(loss) from assets disposal, impairment losses & write-off of assets	0	2
EBIT	**-5.920**	**-4.603**
Depreciation and amortization	13.365	13.366
EBITDA	**7.445**	**8.763**

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.

2.1.28 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 and have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are the below:

Goodwill, tangible and intangible assets impairment

Management tests goodwill for impairment annually (as at 31 December) or more frequently if events occur or changes in circumstances indicate that the carrying value may be reduced in accordance with accounting policy described in note 2.16. The recoverable amounts of cash generating units (CGU) have been determined based on "value in use" calculations using appropriate estimates regarding future cash flows and discount rates. The determination of value in use is obtained by the present value of estimated future cash flows, as expected to be generated by each CGU (discounted cash flow method - DCF). The cash flows are derived from the most recent approved by the administration budgets for the next three years and does not include any 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, 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 and beyond the period of five years where has signed revenue contracts beyond five years as well as in cases where management believes that based on market data and historical renewals track record of the Group, it is very possible to renew relevant contracts beyond this period. 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 on which its current cash flow projections are based 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 effects of subsequent events or circumstances, that did not exist when those actual cash flows were generated, make this appropriate. Further details are provided in note 2.16.

The carrying values of tangible and intangible assets are reassessed for possible need for impairment whenever events or circumstances indicate that the value reported on may not be recovered in accordance with the accounting principle described in notes 2.1.8 and 2.1.11.

Income Tax Provision

The companies of the Group are subject to income taxes in numerous jurisdictions. The provision for income taxes in accordance with IAS 12 "Income Taxes" refers to the amounts expected to be paid to the tax authorities and includes provision for current income taxes and the provision for any additional taxes that may arise as a result of the audit of the tax authorities. The provision for income tax of the Group for numerous transactions require significant subjective judgment, making tax exact calculation uncertain during the ordinary course of business of the Group. The estimate may differ from the final tax due to future changes in tax legislation or to unforeseen effects of the final determination of the tax liability for each year from the tax authorities. Where the final tax resulting from tax audits differ from the amounts that were initially assessed and recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination of tax differences occurred. Further details are provided in notes 2.12 and 2.32.B.

Deferred Tax Assets

Deferred tax assets and liabilities are recognized on temporary differences between the accounting basis and the tax basis of assets and liabilities using the tax rates that have been enacted and are expected to apply in the periods when the differences are expected to be eliminated. Deferred tax assets are recognized for the deductible temporary differences and tax losses carried forward to the extent that it is probable that there will be taxable income available to be used against which the deductible temporary differences and the carry forward of unused tax losses. The Group considers the existence of future taxable income and ongoing follow a conservative tax planning strategies in assessing the recoverability of deferred tax assets. The determination of future taxable income is made through the systematic process of budgeting, at the parent company level as well as at the level of subsidiaries, which are mainly based on already signed long-term revenue contracts. Almost all of the Group's revenue (parent and subsidiaries) derives from long-term contracts signed making the risk of discrepancies between budgeted and actual revenue as low, something that applies to the costs that usually are in a proportion relationship with the revenue of the related contracts. In any case there is a system of monitoring for the verification of these budgets and conducting relevant adjustments, resulting in the safe keeping of any final discrepancies at low levels. The accounting estimates related to deferred tax assets requires management to make assumptions about the timing of future events, the probability of expected future taxable income and available tax planning possibilities. Further details are provided in note 2.12.

Allowance for doubtful receivables – expected credit losses

In determining the expected credit losses and the recognition of a relevant doubtful provision, the Group applies the general model as described in paragraph 2.1.12.i.d of accounting policies. The information required to determine whether there is a significant deterioration in credit risk after initial recognition and to determine the stage to which each financial asset belongs and to calculate the provision for impairment is based on historical and future data and includes significant estimates. Past experience and estimates for the future may not lead to conclusions indicative of the actual amount of default when a relevant event will occur. Further details are provided in notes 2.19 and 2.20.

Provision for staff retirement indemnities

Liabilities for retirement benefits are calculated using actuarial methods that require management to assess specific parameters such as discount rates, future growth rates of employee wages, the future rate of employees' retirement and other factors such as the inflation rate. The Group's management estimates in the best possible way these parameters on an annual basis, for the relevant actuarial study. Further details are provided in note 2.26.

Estimation of assets useful life

The Group reassesses at each year end and, when appropriate, prospectively adjusts useful lives of tangible and intangible assets that were recognized either through acquisition or business combination. These estimates take into account new data and current market conditions. Further details are provided in notes 2.1.8, 2.1.10, 2.1.11, 2.14, and 2.16.

Contingent liabilities

The Group reviews the status of each significant legal case on a periodic basis and assesses the potential risk, based partly on the view of legal department. If the potential loss from any litigation and legal matters is considered probable and the amount can be reliably estimated, the Group recognizes a liability for the estimated loss. In order to determine the probability and whether the risk can be estimated reliably, a considerable degree of judgment of management is required. When additional information becomes available, the Group reassesses the potential liability related to pending litigation and legal proceedings, and estimates for the probability of an unfavorable outcome and an assessment of potential loss may be revised. Such revisions in the estimates of the potential liability could have a material effect on the financial position and income statement of the Group. Further details are provided in note 2.32.A.

Provision for impairment of inventories value

The Group recognizes inventory at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated selling expenses. Provisions for impairment of inventories are formed when necessary and recognized in the income statement. Further details are provided in note 2.21.

Consolidation of subsidiaries in which the Group holds less than a majority of voting right (de facto control)

The Group estimates that controls the subsidiaries Inteltek Internet AS, Eurofootball LTD, Eurobet LTD and DC09 LLC, even though it holds less than 50% of the voting rights, based on the conditions specified in IFRS 10. Specifically, the Group, based on its existing rights and the fact that has signed agreements with other shareholders, estimates that has the ability to direct the activities that significantly affect the returns of these entities, ie the "relevant activities". Furthermore, holds significant participations/investments, has rights to variable returns from its involvement with these entities and has the ability to affect the level of these returns. The above conditions of IFRS 10 for the entities Inteltek Internet AS, Eurofootball LTD, Eurobet LTD and DC09 LLC, in which the Group holds 45%, 49%, 49% and 49% respectively of the voting rights, define the framework on the basis of which these entities are consolidated.

Business combination

Group when acquiring a company performs the necessary estimates in determining the fair value and the useful life of the acquired tangible and intangible assets. Future events could cause changes in the assumptions used in determining fair value with a corresponding effect on the results and equity of the Group. Further details are provided in note 2.1.6.

2.2 INFORMATION PER SEGMENT

Intralot Group is active in 47 countries and states, and the segmentation of its subsidiaries is performed based on their geographical position. The grouping of the Group's companies is based on the geographic position in which they are located. The financial results are presented in the following operating geographical segments:

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 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".

Scheduled United Kingdom leave from the European Union (BREXIT)

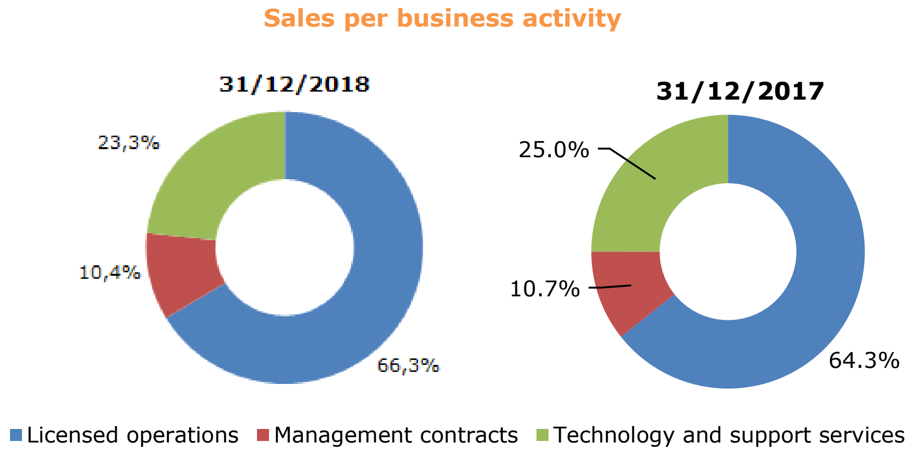
The Group expects the final agreement on the leave of the United Kingdom from the European Union (BREXIT) to assess any impact. It is noted that the Group does not have any significant commercial activity in the United Kingdom except for bank facilities agreements through its subsidiary Intralot Finance UK Ltd.

1/1-31/12/2018 *(in million €)*	**European Union**	**Other Europe**	**America**	**Other Countries**	**Eliminations**	**Total**
Sales to third parties	572,08	1,67	186,56	110,52	0,00	870,83
Intragroup sales	57,08	0,00	0,40	0,96	-58,44	0,00
Total Sales	**629,16**	**1,67**	**186,96**	**111,48**	**-58,44**	**870,83**
Gross Profit/(loss)	**72,97**	**-0,64**	**19,62**	**80,60**	**-11,24**	**161,31**
(Debit)/Credit interest & similar (expenses)/income	-42,95	0,20	-5,05	3,84	1,68	-42,28
Depreciation/Amortization	-36,38	-1,50	-22,59	-7,49	2,74	-65,22
Profit/(loss) consolidated with equity method	-0,86	0,00	1,60	-19,05	0,00	-18,31
Write-off & impairment of assets	-1,50	-3,20	-0,19	-14,43	0,00	-19,32
Write-off & impairment of investments	-9,19	0,00	-0,02	0,00	9,21	0,00
Doubtful provisions, write-off & impairment of receivables	0,97	0,00	-0,39	-0,86	-0,96	-1,24
Reversal of doubtful provisions & recovery of written off receivables	10,76	0,00	0,00	-0,02	-10,76	-0,02
Reversal of provisions for participations impairment	16,00	0,00	0,00	0,00	0,00	16,00
Profit/(Loss) before tax and continuing operations	**73,05**	**-3,77**	**-1,14**	**40,08**	**-110,38**	**-2,16**
Tax	-3,31	-0,17	0,90	-10,69	0,00	-13,27
Profit/(Loss) after tax from continuing operations	**69,74**	**-3,94**	**-0,24**	**29,39**	**-110,38**	**-15,43**
Profit/(Loss) after tax from discontinued operations	0,00	0,00	0,00	42,39	0,00	42,39
Profit/(Loss) after tax from total operations	**69,74**	**-3,94**	**-0,24**	**71,78**	**-110,38**	**26,96**

1/1-31/12/2017 *(in million €)*	**European Union**	**Other Europe**	**America**	**Other Countries**	**Eliminations**	**Total**
Sales to third parties	573,43	2,60	230,26	124,31	0,00	930,60
Intragroup sales	59,56	0,00	0,73	0,01	-60,30	0,00
Total Sales	**632,99**	**2,60**	**230,99**	**124,32**	**-60,30**	**930,60**
Gross profit/(loss)	**83,11**	**0,24**	**32,57**	**90,51**	**-6,34**	**200,09**
(Debit)/Credit interest & similar (expenses)/income	-54,11	0,35	-5,06	2,88	-7,12	-63,06
Depreciation/Amortization	-35,18	-1,55	-21,08	-9,02	4,05	-62,78
Profit/(loss) consolidated with equity method	-1,19	0,00	0,89	-3,11	0,00	-3,41
Write-off & impairment of assets	-1,15	-1,32	-0,14	-0,02	0,00	-2,63
Write-off & impairment of investments	-77,98	0,00	-0,22	0,00	53,58	-24,62
Doubtful provisions, write-off & impairment of receivables	-4,47	0,00	-4,46	-0,56	8,15	-1,34
Reversal of doubtful provisions & recovery of written off receivables	1,45	0,04	0,00	0,03	-1,49	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	**15,76**	**-1,60**	**27,74**	**47,45**	**-99,63**	**-10,28**
Tax	-3,11	-0,27	-4,33	-11,25	0,00	-18,96
Profit/(Loss) after tax from continuing operations	**12,65**	**-1,87**	**23,41**	**36,20**	**-99,63**	**-29,24**
Profit/(Loss) after tax from discontinued operations	-0,48	-0,35	12,77	7,89	3,39	23,22
Profit/(Loss) after tax from total operations	**12,17**	**-2,22**	**36,18**	**44,09**	**-96,24**	**-6,02**

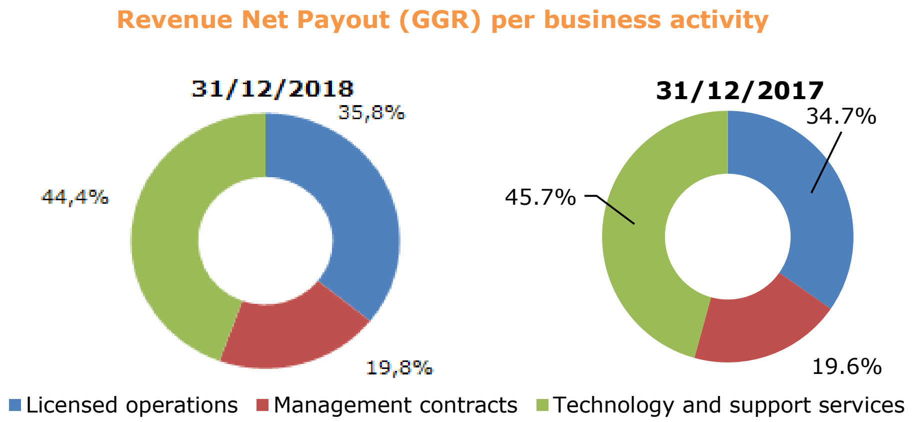
Sales per business activity (continuing operations)			
(in thousand €)	**31/12/2018**	**31/12/2017**	**Change**
Licensed operations	577.697	598.597	-3,49%
Management contracts	90.255	99.469	-9,26%
Technology and support services	202.881	232.529	-12,75%
Total	**870.833**	**930.595**	**-6,42%**

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



Sales per product type (continuing operations)		
	31/12/2018	**31/12/2017**
Lottery games	35,7%	37,3%
Sports Betting	51,1%	47,9%
IT products & services	7,4%	9,6%
Racing	2,3%	1,7%
Video Lottery Terminals	3,5%	3,5%
Total	**100%**	**100%**

Revenue Net of Payout (GGR) per business activity (continuing operations)			
(in thousand €)	**31/12/2018**	**31/12/2017**	**μεταβολή**
Licensed operations	163.822	176.652	-7,26%
Management contracts	90.255	99.469	-9,26%
Technology and support services	202.881	232.529	-12,75%
Total	**456.958**	**508.650**	**-10,16%**



2.3 OTHER OPERATING INCOME

(continuing operations)	GROUP 31/12/2018	GROUP 31/12/2017	COMPANY 31/12/2018	COMPANY 31/12/2017
Income from rents from third parties	12.265	12.398	0	0
Income from rents from subsidiaries	0	0	119	148
Income from litigation cases	0	0	0	0
Income from uncollected winnings	754	1.086	0	0
Income from reversal of doubtful provisions and proceeds for written off receivables from third parties	0	29	0	0
Income from reversal of doubtful provisions and proceeds for written off receivables from subsidiaries	0	0	10.760	1.449
Other income	3.206	3.194	409	365
Other income from affiliates	0	0	0	31
Total	**16.225**	**16.707**	**11.288**	**1.993**

2.4 STAFF COSTS

(continuing operations)	GROUP 31/12/2018	GROUP 31/12/2017	COMPANY 31/12/2018	COMPANY 31/12/2017
Salaries	78.960	82.687	22.518	19.203
Social security contributions	12.271	12.784	5.092	4.307
Staff retirement indemnities provision (note 2.26)	1.592	1.803	1.125	1.344
Other staff costs	11.444	11.536	1.224	853
Total	**104.267**	**108.810**	**29.959**	**25.707**

Salaries & Social security contributions per cost center December 31, 2018
(continuing operations)

Group	Cost of Sales	Selling expenses	Administrative costs	R&D costs	Total
Salaries	41.319	7.644	28.534	1.463	78.960
Social security contributions	6.713	1.341	3.852	365	12.271
Staff retir. & other costs	7.861	1.344	3.628	203	13.036
Total	**55.893**	**10.329**	**36.014**	**2.031**	**104.267**

Company	Cost of Sales	Selling expenses	Administrative costs	R&D costs	Total
Salaries	10.574	3.149	7.332	1.463	22.518
Social security contributions	2.559	707	1.461	365	5.092
Staff retir. & other costs	1.316	289	541	203	2.349
Total	**14.449**	**4.145**	**9.334**	**2.031**	**29.959**

Salaries & Social security contributions per cost center December 31, 2017
(continuing operations)

Group	Cost of Sales	Selling expenses	Administrative costs	R&D costs	Total
Salaries	41.949	8.923	29.381	2.434	82.687
Social security contributions	6.484	1.660	4.042	598	12.784
Staff retir. & other costs	7.788	1.376	3.839	336	13.339
Total	**56.221**	**11.959**	**37.262**	**3.368**	**108.810**

Company	Cost of Sales	Selling expenses	Administrative costs	R&D costs	Total
Salaries	5.543	3.954	7.272	2.434	19.203
Social security contributions	1.359	901	1.449	598	4.307
Staff retir. & other costs	1.030	310	521	336	2.197
Total	**7.932**	**5.165**	**9.242**	**3.368**	**25.707**

The number of employees of the Group at the end of the current period amounted to 5.187 persons (Company/subsidiaries 3.021 and associates 2.166) and the Company's 691 persons. At the end of the 2017 period the number of employees of the Group was 5.149 persons (Company/subsidiaries 3.132 and associates 2.017) and the Company's 735 persons.

2.5 DEPRECIATION AND AMORTIZATION

Depreciation and amortization recognized in the accompanying financial statements are analyzed as follows:

(continuing operations)	GROUP		COMPANY	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Depreciation of tangible fixed assets (note 2.14)	30.241	32.614	1.785	1.975
Amortization of intangible assets (note 2.16)	34.978	30.163	11.580	11.391
Depreciation of investment property (note 2.15)	3	0	0	0
Total	**65.222**	**62.777**	**13.365**	**13.366**

Depreciation and amortization per cost center 31/12/2018 (continuing operations)	Cost of Sales	Selling expenses	Administrative costs	R&D costs	Total
Group	53.604	1.858	8.691	1.069	**65.222**
Company	8.019	1.804	2.473	1.069	**13.365**

Depreciation and amortization per cost center 31/12/2017 (continuing operations)	Cost of Sales	Selling expenses	Administrative costs	R&D costs	Total
Group	50.061	1.664	9.582	1.470	**62.777**
Company	8.020	1.604	2.272	1.470	**13.366**

2.6 EXPENSES BY NATURE

(continuing operations)	GROUP		COMPANY	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Personnel Costs (note 2.4)	104.267	108.810	29.959	25.707
Depreciation & amortization (note 2.5)	65.222	62.777	13.365	13.366
Change in inventories	7.775	7.179	6.713	3.585
Winners payout, game taxes and agent commissions	505.200	525.101	0	0
Consumables	8.964	9.773	0	0
Third party fees-benefits	34.717	35.009	11.858	14.214
Other expenses	99.569	103.360	13.865	12.022
Total	**825.714**	**852.009**	**75.760**	**68.894**

For the year ended 31 December 2018, operating expenses of the Group analyzed above, include fees of statutory auditors' networks other than statutory audit, amounted to €111 thousand for the issuance of Tax Compliance Certificate in accordance with the provisions of art. 65A of L. 4174/2013 and €22 thousand for other services provided. The corresponding amounts for the Company are €80 thousand and €18 thousand.

2.7 INCOME / (EXPENSES) FROM PARTICIPATIONS AND INVESTMENTS

(continuing operations)	GROUP		COMPANY	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Income from dividends	4.322	1.840	11.426	21.379
Gain from sale of participations and investments	153	139	0	1.055
Other income from participations and investments	0	0	0	0

Total income from participations and investments	**4.475**	**1.979**	**11.426**	**22.434**
Loss from sale of participations and investments	-360	-1.419	-19	-4
Loss from impairment / write-offs of participations and investments[1]	14.281	-24.624	-5.260	-15.294
Total expenses from participations and investments	**13.921**	**-26.043**	**-5.279**	**-15.298**
Net result from participations and investments	**18.396**	**-24.064**	**6.147**	**7.136**

[1]The Group on 31/12/2018 includes doubtful provision of the recoverable amount of investment receivables from a shareholder of a subsidiary (non-controlling interest) amounts to €1.719 thousand (Company: €1.060 thousand), as well as a reversal of a provision of €16.000 thousand which relates to a relative estimation of decrease in the recoverable amount of the participation in the associate entity Gamenet Group S.p.A. which was recognized the previous year. The reversal was made in accordance with IAS 36 para. 110, as following the acquisition of GoldBet (note 2.31.A.III) in October 2018, the value of the participation in the associate entity Gamenet Group S.p.A. increased significantly. The valuation of the participation was carried out by an external independent valuator.

2.8 GAIN/(LOSSES) FROM ASSETS DISPOSAL, IMPAIRMENT LOSS & WRITE-OFF OF ASSETS

(continuing operations)	GROUP		COMPANY	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Gain from disposal of tangible and intangible assets	136	480	0	4
Loss from disposal of tangible and intangible assets	-98	-124	0	-6
Loss from impairment and write-off of tangible and intangible assets[1]	-19.321	-2.634	0	0
Net result from tangible and intangible assets	**-19.283**	**-2.278**	**0**	**-2**

[1] The Group on 31/12/2018 includes impairment provision of goodwill in subsidiary Inteltek A.S. (note 2.16) of €14,4 million following the award of the competition, that completed in the first quarter of 2019, to another bidder. Inteltek A.S., has been running the Iddaa game since 2004 and continues to manage the current Iddaa betting license with a contract expiring on 28/08/2019.

2.9 OTHER OPERATING EXPENSES

(continuing operations)	GROUP		COMPANY	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Impairment, write-off and provisions for doubtful debt	1.241	1.339	3.090	4.229
Provisions for contractual fines-penalties	6.939	5.028	0	0
Other expenses from other related parties	0	45	0	0
Other expense	1.854	613	139	307
Total	**10.034**	**7.025**	**3.229**	**4.536**

Analysis of the account “Impairment, write-off and provisions for doubtful debt”:

(continuing operations)	GROUP		COMPANY	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Provisions for doubtful receivables from subsidiaries	0	0	3.090	3.589
Provisions for doubtful receivables from joint ventures	0	0	0	0
Provisions for doubtful receivables from receivables (third parties)	1.129	1.218	0	640
Write-off of receivables from subsidiaries	0	0	0	0
Write-off of receivables from associates	5	47	0	0
Write-off of receivables from receivables (third parties)	102	74	0	0
Write-off of receivables from other related parties	5	0	0	0
Total	**1.241**	**1.339**	**3.090**	**4.229**

2.10 INTEREST AND SIMILAR EXPENSES / INTEREST AND SIMILAR INCOME

(continuing operations)	GROUP		COMPANY	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Interest Expense[1]	-48.830	-66.014	-17.204	-16.606
Finance costs	-1.507	-3.292	309	-602
Discounting	-67	-645	0	0
Total interest and similar expenses	**-50.404**	**-69.951**	**-16.895**	**-17.208**
Interest Income	7.393	6.117	4.666	3.254
Discounting	729	770	0	0
Total interest and similar income	**8.122**	**6.887**	**4.666**	**3.254**
Net interest and similar income / (expenses)	**-42.282**	**-63.064**	**-12.229**	**-13.954**

[1] Included amortized costs, expenses and bank institutions fees related to issuance of bond and syndicated facilities, as well as bond redemption costs.

2.11 EXCHANGE DIFFERENCES

The Group reported in the Income Statement of 2018 profit from «Exchange differences» amount to €8.136 thousand (2017: loss €5.733 thousand) mainly from valuation of commercial and borrowing liabilities (intercompany and non) in EUR that various subsidiaries abroad had as at 31/12/2018, with a different functional currency than the Group, from valuation of cash balances in foreign currency other than the functional currency of each entity, as well as from valuation of trade receivables (from third parties and associates) mainly in USD that held by the Company on 31/12/2018.

2.12 INCOME TAXES

GROUP (continuing operations)	31/12/2018	31/12/2017
Current income tax	16.019	22.130
Deferred income tax	-7.363	-1.996
Tax audit differences and other taxes non-deductible	4.162	-1.173
Provision for unaudited tax years	451	0
Total income tax expense reported in income statement	**13.269**	**18.961**

The income tax for the Company and its Greek subsidiaries was calculated to 29% on the taxable profit of the periods 1/1-31/12/2018 and 1/1-31/12/2017.

The deferred income tax for the Company and its Greek subsidiaries was calculated using the gradually decreasing rates from 29% to 25% for tax years 2018-2022, pursuant to Law 4579/2018.

COMPANY	31/12/2018	31/12/2017
Current income tax	0	1.953
Deferred income tax	-36	-703
Tax audit differences and other taxes non-deductible	4.372	-1.812
Total income tax expense reported in income statement	**4.336**	**-562**

Income tax attributable to the Group's profit differs from the amount that would arise by applying the nominal tax rate applicable at the domicile of the Parent Company, as follows:

(continuing operations)	GROUP		COMPANY	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Profit before income taxes	**-2.162**	**-10.283**	**-11.789**	**-12.012**
Income taxes based on the statutory income tax rate of the Parent 29% (2017: 29%)	-627	-2.982	-3.419	-3.483
Adjustments to income taxes related to:				
Adjustments in previous periods provisions	12	-41	0	0
Tax effect of non-deductible tax expenses	37.810	52.568	6.600	25.419

Tax effect of transferred losses, for which deferred tax asset was not recognized	11.222	22.280	0	0
Tax effect of non-taxable profits	-10.428	-47.040	-2.586	-19.983
Tax effect of foreign subsidiaries' profits that are taxable at different tax rates	-20.463	-3.359	0	0
Other taxes non-deductible	5.018	2.778	4.357	1.974
Deferred tax effect due to tax rate change	-1.037	342	-595	0
Tax effect of losses for which deferred tax asset was recognized	-7.833	-1.633	-35	-703
Income tax of previous years after tax audit	-856	-3.952	14	-3.786
Provision for additional taxes from future tax audits	451	0	0	0
Income taxes reported in the income statement	**13.269**	**18.961**	**4.336**	**-562**

	GROUP		COMPANY	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Net deferred tax asset at beginning of the year	**-10.305**	**-9.286**	**-5.803**	**-6.548**
(Debit)/Credit to income statement (continuing operations)	7.363	1.996	36	703
(Debit)/Credit to income statement (discontinued operations)	0	642	0	0
Restatement of opening balance	0	0	0	0
Effect of a subsidiary included for the first time in consolidation	0	-430	0	0
Exchange difference	319	31	0	0
Non-consolidated entity due to liquidation/disposal	0	-1.385	0	0
Deferred tax on other comprehensive income	-16	32	-26	42
Transfer from income tax payable	-25	-1.905	0	0
Effect from impact from IFRS 15	15	0	136	0
Effect from impact from IAS 29	-928	0	0	0
Net deferred tax asset at end of the fiscal year	**-3.577**	**-10.305**	**-5.657**	**-5.803**

The deferred tax asset and liability presented in the accompanying financial position are analyzed as follows:

31/12/2018	GROUP		COMPANY	
	Assets	Liabilities	Assets	Liabilities
Tax losses carried forward	6.639	0	0	0
Inventories–intercompany profit	14	0	0	0
Financial assets	490	-1	441	0
Long term receivables	14	-185	0	0
Provisions	1.351	485	827	0
Tangible assets	-824	-362	137	0
Intangibles assets	143	-10.595	0	-6.321
Short term receivables	-698	-25	-845	0
Accrued expenses	6	-224	0	0
Long term liabilities	109	192	74	0
Short term liabilities	324	-335	30	0
Short term loans	149	-244	0	0
Total	**7.717**	**-11.294**	**664**	**-6.321**

1/1/2018 – 31/12/2018	Income Statement	
Deferred income tax (continuing operations)	GROUP	COMPANY
Prior years' tax losses utilized	1.733	0
Subsidiaries' tax losses carried forward	-4.325	0
Accrued expenses	173	0
Tangible assets	-334	-2
Investment properties	0	0
Intangible assets	-4.346	121
Financial assets	195	71
Short term receivables	-219	-417

Long Term receivables	-134	0
Inventories–impairment	69	0
Short term provisions	-1	-15
Short term liabilities	2.255	-29
Long term liabilities	-2.429	235
Discontinued operations	0	0
Deferred Tax (income) / expense	**-7.363**	**-36**

On 31/12/2018 the most significant Group's subsidiaries (excluding Company) had accumulated tax losses amount to about €222,6 million and had recognized a deferred tax asset of €6,6 million (2017: €4,0 million) attributable to tax losses amount to €30,6 million. For the remaining tax losses amount to €192,0 million there was no deferred tax asset recognized on 31/12/2018 since the recognition criteria under IAS 12 as described in notes 2.1.24 and 2.1.28 were not met. Of the above total accumulated tax losses amount of €108,0 million can be transferred up to the periods 2019-2023, amount of €69,1 million until the periods 2024-2043 and finally an amount of €45,5 million has no time limit.

Also on 31/12/2018 the Company had accumulated tax losses amount to €3,4 million that can be transferred up to 2023 and had not recognized deferred tax asset since the recognition criteria under IAS 12 were not met.

31/12/2017	GROUP		COMPANY	
	Assets	Liabilities	Assets	Liabilities
Tax losses carried forward	3.953	0	0	0
Inventories–intercompany profit	98	0	0	0
Financial assets	722	-1	512	0
Long term receivables	44	-405	0	0
Provisions	1.764	240	1.012	0
Tangible assets	-5.517	4.485	135	0
Intangibles assets	76	-14.586	0	-6.200
Short term receivables	365	-1.301	0	-1.262
Accrued expenses	54	-180	0	0
Long term liabilities	50	-2.949	0	0
Short term liabilities	3.140	-280	0	0
Short term loans	0	-77	0	0
Total	**4.749**	**-15.054**	**1.659**	**-7.462**

1/1/2017 – 31/12/2017	Income Statement	
Deferred income tax (continuing operations)	GROUP	COMPANY
Prior years' tax losses utilized	2.098	0
Subsidiaries' tax losses carried forward	-3.178	0
Accrued expenses	43	0
Tangible assets	-179	-140
Investment property	-63	0
Intangible assets	718	550
Financial assets	-192	0
Short term receivables	-312	-1.129
Long term receivables	-616	0
Inventories– impairment	-56	0
Short term provisions	67	0
Short term liabilities	-3.767	0
Long term liabilities	2.799	16
Discontinued operations	642	0
Deferred Tax (income) / expense	**-1.996**	**-703**

2.13 EARNINGS / (LOSSES) PER SHARE

The calculation of basic and diluted earnings / (losses) per share is as follows:

Basic earnings / (losses) per share (EPS) are calculated by dividing net earnings / (losses) for the period attributable to equity holders of the parent by the weighted average number of common shares outstanding during the period, taking into account the average number of ordinary shares acquired by the Group as treasury shares.

(total operations)	GROUP		COMPANY	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Net profit / (loss) attributable to equity holders of the parent	**-25.649**	**-53.386**	**-16.125**	**-11.450**
Weighted average number of shares outstanding in the beginning of the period	156.980.467	157.378.952	156.980.467	157.378.952
Less: Weighted average number of treasury shares from period movements	4.662.909	26.535	4.662.909	26.535
Weighted average number of shares outstanding during the period	**152.317.558**	**157.352.417**	**152.317.558**	**157.352.417**
Basic earnings / (losses) per share (EPS) (in euro)	**€-0,1684**	**€-0,3393**	**€-0,1059**	**€-0,0728**

Diluted earnings / (losses) per share are calculated by dividing net earnings / (losses) for the period attributable to equity holders of the parent by the weighted average number of shares outstanding during the period (adjusted for the effect of the average stock option plans outstanding during the period). During 2018 and 2017 the Group had no stock option plan in effect.

(total operations)	GROUP		COMPANY	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Weighted average number of shares outstanding (for basic EPS)	152.317.558	157.352.417	152.317.558	157.352.417
Effect of potential exercise of options (weighted average number for the period)	0	0	0	0
Weighted average number of shares outstanding (for diluted EPS)	**152.317.558**	**157.352.417**	**152.317.558**	**157.352.417**
Diluted earnings / (losses) per share (EPS) (in euro)	**€-0,1684**	**€-0,3393**	**€-0,1059**	**€-0,0728**

The difference between the weighted average number of shares outstanding and the number of shares including those that would arise from a potential exercise of share options, is not significant.

2.14 TANGIBLE FIXED ASSETS

GROUP	LAND	BUILDINGS AND INSTALLATIONS	MACHINERY AND EQUIPMENT	TRANSPORT EQUIPMENT	FURNITURE AND FIXTURES	ASSETS UNDER CONSTRUCTION	OTHER TANGIBLE ASSETS	TOTAL
1 January 2018								
Cost	3.030	17.722	311.985	2.898	96.005	4.051	2.911	438.602
Accumulated depreciation	-1.200	-10.282	-235.590	-2.174	-84.667	0	-1.896	-335.809
Net Book value 1 January 2018	**1.830**	**7.440**	**76.395**	**724**	**11.338**	**4.051**	**1.015**	**102.793**
COST								
Additions of the period		839	32.136	172	1.391	24.806	406	59.750
Transfer of assets from (to) other category		25	7.091		-6.584	-532		0
Transfer from (to) inventories and intangible assets		-5	4.123		-125	-256	7	3.744
Transfer to investment property		-58						-58
Effect from the application of IAS 29			10.967	151	551	514	22	12.205
Disposal of subsidiaries/change in consolidation method		-271	-1.221	-282	-116		-1.003	-2.893
Disposals		-58	-7.833	-144	-153		-483	-8.671
Impairment/ write off		-128	-2.805		-184	-79	-75	-3.271
Exchange differences		318	-3.731	-138	-901	23	-14	-4.443
ACCUMULATED DEPRECIATION								
Depreciation of the period		-984	-27.288	-241	-1.329		-617	-30.459
Disposals		58	7.527	48	140		465	8.238
Impairment / write-off		39	1.395		160		3	1.597
Effect from the application of IAS 29			-9.763	-105	-529		-8	-10.405
Exchange differences		-229	2.743	70	813		-3	3.394
Transfer from (to) inventories and intangible assets		5						5
Transfer to investment property		16						16
Transfer of assets from (to) other category			-680		680			0
Disposal of subsidiaries/change in consolidation method		271	518	251	110		668	1.818
Net book value 31 December 2018	**1.830**	**7.278**	**89.574**	**506**	**5.262**	**28.527**	**383**	**133.360**
Cost	3.030	18.384	350.712	2.657	89.884	28.527	1.771	494.965
Accumulated depreciation	-1.200	-11.106	-261.138	-2.151	-84.622	0	-1.388	-361.605
Net Book value 31 December 2018	**1.830**	**7.278**	**89.574**	**506**	**5.262**	**28.527**	**383**	**133.360**

The Group (continuing operations) recognized impairment losses/write-offs of tangible fixed assets amount to €1.674 thousand (discontinued operations €0 thousand) during the period 1/1-31/12/2018 that were recognized in the income statement (in "Gain / (Losses) from assets disposal, impairment losses & write-off of assets" - note 2.8). The largest portion, amounting €1,4 million regards impairment loss on machinery and equipment due to technological obsolesence.
Tangible fixed assets depreciation amounts to €30.459 thousand includes related depreciation of discontinued operations amounts to €218 thousand.
Tangible assets net book value held in the form of finance leases was as at 31/12/2018 €5.596 thousand (Buildings&Installation €2 thousand, Machinery&Equipment €5.546 thousand and Transportation Equipment €48 thousand).

GROUP	LAND	BUILDINGS AND INSTALLATIONS	MACHINERY AND EQUIPMENT	TRANSPORT EQUIPMENT	FURNITURE AND FIXTURES	ASSETS UNDER CONSTRUCTION	OTHER TANGIBLE ASSETS	TOTAL
1 January 2017								
Cost	3.281	22.884	332.055	4.366	100.016	3.410	2.801	468.813
Accumulated depreciation	-1.200	-13.045	-236.477	-3.160	-86.608	0	-1.361	-341.851
Net Book value 1 January 2017	**2.081**	**9.839**	**95.578**	**1.206**	**13.408**	**3.410**	**1.440**	**126.962**
COST								
Additions of the period		3.549	18.628	432	1.568	3.670	379	28.226
Transfer of assets from (to) other category		153	2.065		37	-2.255		0
Transfer from (to) inventories and intangible assets			1.739		1.254	60	-10	3.043
Additions due to acquisitions of subsidiaries		110			563			673
Disposal of subsidiaries/change in consolidation method	-222	-6.974	-8.823	-1.083	-4.284	-119	-32	-21.537
Disposal			-1.938	-431	-625	-95	-19	-3.108
Impairment / write-off		-10	-1.820	-51	-1.379			-3.260
Exchange differences	-29	-1.990	-29.921	-335	-1.145	-620	-208	-34.248
ACCUMULATED DEPRECIATION								
Depreciation of the period		-1.255	-29.157	-390	-2.649		-689	-34.140
Disposals			1.600	294	522		16	2.432
Impairment / write-off		5	520	50	962			1.537
Additions due to acquisitions of subsidiaries		-11			-339			-350
Exchange differences		1.170	21.698	261	972		111	24.212
Transfer from (to) inventories and intangible assets			46				1	47
Disposal of subsidiaries/change in consolidation method		2.854	6.180	771	2.473		26	12.304
Net book value 31 December 2017	**1.830**	**7.440**	**76.395**	**724**	**11.338**	**4.051**	**1.015**	**102.793**
Cost	3.030	17.722	311.985	2.898	96.005	4.051	2.911	438.602
Accumulated Depreciation	-1.200	-10.282	-235.590	-2.174	-84.667	0	-1.896	-335.809
Net book value 31 December 2017	**1.830**	**7.440**	**76.395**	**724**	**11.338**	**4.051**	**1.015**	**102.793**

The Group (continuing operations) recognized impairment losses/write-offs of tangible fixed assets amount to €1.723 thousand (discontinued operations €-261 thousand) during the period 1/1-31/12/2017 which were recognized in the income statement (in "Gain / (Losses) from assets disposal, impairment losses & write-off of assets" - note 2.8). The largest portion, amount to €1,2 million relates to impairment loss on machinery and installations in subsidiary Loteria Moldovei S.A. (discontinue of operations due to State monopoly) and in subsidiary Royal Highgate Ltd (due to license suspension).
Tangible fixed assets depreciation amounts to €34.140 thousand includes related depreciation of discontinued operations amounts to €1.526 thousand.
The net book value of tangible assets held by finance lease was on 31/12/2017 €2.018 thousand. (Buildings & Installations €3 thousand, Machinery & Equipment €2.006 thousand, Transport Equipment €8 thousand and Furniture & fixtures €1 thousand).

COMPANY	LAND	BUILDINGS AND INSTALLATIONS	MACHINERY AND EQUIPMENT	TRANSPORT EQUIPMENT	FURNITURE AND FIXTURES	TOTAL
1 January 2018						
Cost	3.030	7.362	1	807	85.512	96.712
Accumulated depreciation	-1.200	-3.562	-1	-626	-75.529	-80.918
Net Book value 1 January 2018	**1.830**	**3.800**	**0**	**181**	**9.983**	**15.794**
COST						
Additions of the period		5			816	821
Transfer from (to) inventories and tangible assets			3.996		64	4.060
Transfer of assets from (to) other category			6.920		-6.920	0
Impairment / write-off					-129	-129
ACCUMULATED DEPRECIATION						
Depreciation of the period		-236	-807	-42	-700	-1.785
Transfer of assets from (to) other category			-680		680	0
Impairment / write-off					129	129
Net Book value 31 December 2018	**1.830**	**3.569**	**9.429**	**139**	**3.923**	**18.890**
Cost	3.030	7.367	10.917	807	79.343	101.464
Accumulated depreciation	-1.200	-3.798	-1.488	-668	-75.420	-82.574
Net Book value 31 December 2018	**1.830**	**3.569**	**9.429**	**139**	**3.923**	**18.890**

COMPANY	LAND	BUILDINGS AND INSTALLATIONS	MACHINERY AND EQUIPMENT	TRANSPORT EQUIPMENT	FURNITURE AND FIXTURES	TOTAL
1 January 2017						
Cost	3.030	7.356	1	920	83.214	94.521
Accumulated depreciation	-1.200	-3.325	-1	-631	-73.973	-79.130
Net Book value 1 January 2017	**1.830**	**4.031**	**0**	**289**	**9.241**	**15.391**
COST						
Additions of the period		6		98	1.140	1.244
Transfer from (to) inventories and tangible assets					1.256	1.256
Disposals				-211		-211
Impairment / write-off					-98	-98
ACCUMULATED DEPRECIATION						
Depreciation of the period		-237		-84	-1.654	-1.975
Disposals				89		89
Impairment / write-off					98	98
Net Book value 31 December 2017	**1.830**	**3.800**	**0**	**181**	**9.983**	**15.794**
Cost	3.030	7.362	1	807	85.512	96.712
Accumulated depreciation	-1.200	-3.562	-1	-626	-75.529	-80.918
Net Book value 31 December 2017	**1.830**	**3.800**	**0**	**181**	**9.983**	**15.794**

2.15 INVESTMENT PROPERTIES

The Group's investment properties consist of land and buildings in Bulgaria, which are held by the subsidiary Eurofootball Ltd for the purpose of earning revenue from their long-term lease and are not owned by the Group. Buildings are depreciated on a straight-line basis and their useful life is 17 years.

GROUP	INVESTMENT PROPERTIES
1 January 2017	
Cost	0
Accumulated depreciation	0
Net Book value 1 January 2017	**0**
COST	
Transfer from tangible assets	58
ACCUMULATED DEPRECIATION	
Depreciation of the period	-3
Transfer from tangible assets	-16
Net Book value 31 December 2018	**39**
Cost	58
Accumulated depreciation	-19
Net Book value 31 December 2018	**39**
1 January 2017	
Cost	7.615
Accumulated depreciation	-1.577
Net Book value 1 January 2017	**6.038**
COST	
Exchange differences	-898
Disposal of subsidiary	-6.717
ACCUMULATED DEPRECIATION	
Depreciation of the period	-229
Disposal of subsidiary	1.604
Exchange differences	202
Net Book value 31 December 2017	**0**
Cost	0
Accumulated depreciation	0
Net Book value 31 December 2017	**0**

The Group's investment property for the year 2017 consisted of land plots and buildings in Jamaica owned by Supreme Ventures Ltd with the purpose of earning revenue from their long-term lease and not being owned by the Group. Buildings were depreciated on a straight-line basis and their useful life was 20 years. The Group sold Supreme Ventures Ltd on 2/10/2017 (note 2.31.A.VIII).

GROUP	1/1-31/12/2018	1/1-2/10/2017
Rental income from investment properties	3	101
Direct operating expenses (including repairs and maintenance) arising from investment properties that resulted in income from rents	0	-29
Net income / (loss) from investment properties	**3**	**72**

The Company did not hold investment properties as at 31/12/2018, apart from some buildings leased to its subsidiaries and therefore are classified as tangible assets.

2.16 INTANGIBLE ASSETS

GROUP	GOODWILL	SOFTWARE	DEVELOPMENT COSTS (Internally generated) [1]	OTHER	INDUSTRIAL PROPERTY RIGHTS & LICENCES [2]	TOTAL
1 January 2018						
Cost	58.041	138.564	129.289	38.626	196.730	561.250
Accumulated amortization	0	-70.919	-41.020	-20.079	-104.724	-236.742
Net Book value 1 January 2018	**58.041**	**67.645**	**88.269**	**18.547**	**92.006**	**324.508**
COST						
Effect from the application of IFRS 15			1.440			1.440
Additions of the period		27.309	10.044	1.035	1.182	39.570
Transfer from (to) inventories and tangible assets		48				48
Effect from the application of IAS 29		273		34		307
Disposal of subsidiaries/change in consolidation method		-878		-38	-174	-1.090
Disposals		-216		-879		-1.095
Impairment / write-off	-14.429	-170				-14.599
Exchange differences	-9.088	-903	-834	681	-723	-10.867
ACCUMULATED DEPRECIATION						
Effect from the application of IFRS 15			-138			-138
Amortization of the period		-11.376	-8.951	-3.311	-11.453	-35.091
Disposals		216		878		1.094
Impairment / write-off		152		-3.200		-3.048
Effect from the application of IAS 29		-265				-265
Exchange differences		846	345	-692	689	1.188
Disposal of subsidiaries/change in consolidation method		86			284	370
Net Book value 31 December 2018	**34.524**	**82.767**	**90.175**	**13.055**	**81.811**	**302.332**
Cost	34.524	164.027	139.939	39.459	197.015	574.964
Accumulated amortization	0	-81.260	-49.764	-26.404	-115.204	-272.632
Net Book value 31 December 2018	**34.524**	**82.767**	**90.175**	**13.055**	**81.811**	**302.332**

[1] The internally generated intangible assets of the Group include an individually material intangible asset of net book value €71.026 thousand on 31/12/2018 (central operating system – LOTOS and relevant modules, which supports the majority of the contracts of the Group). The remaining amortization period of the central operating system is up to 20 years whereas additions, upgrades and improvements to this asset are constant.

[2] The Group "Licenses" include intangible assets with indefinite useful lives (lottery games intellectual property rights) amounting €2,3 million 31/12/2018.

The Group (continuing operations) recognized impairment losses/write-offs of intangible fixed assets amount to €17.647 thousand (discontinued operations €0 thousand) during the period 1/1-31/12/2018 which were recognized in the income statement (in "Gain / (Losses) from assets disposal, impairment losses & write-off of assets" - note 2.8). The largest portion amount to €14.429 thousand regards impairment loss on goodwill of subsidiary Inteltek Internet A.S. (note 2.16).

The above Intangible assets amortization of €35.091 thousand, includes €113 thousand related to amortization of discontinued operations.

GROUP	GOODWILL	SOFTWARE	DEVELOPMENT COSTS (Internally generated) [1]	OTHER	INDUSTRIAL PROPERTY RIGHTS & LICENCES [2]	TOTAL
1 January 2017						
Cost	84.993	116.491	108.189	40.608	192.870	543.151
Accumulated amortization	0	-65.364	-33.569	-18.581	-96.055	-213.569
Net Book value 1 January 2017	**84.993**	**51.127**	**74.620**	**22.027**	**96.815**	**329.582**
COST						
Additions of the period		28.488	9.688	886	4.413	43.475
Transfer of assets from (to) other categories		-591	591			0
Transfer from (to) inventories and tangible assets		3				3
Additions due to acquisition of subsidiaries	1.107	15	11.812	3	4.196	17.133
Disposal of subsidiaries/change in consolidation method	-20.115	-2.134		-18	-2.767	-25.034
Disposals		-200	-2			-202
Impairment / write-off		-651		-65		-716
Exchange differences	-7.944	-2.857	-989	-2.788	-1.982	-16.560
ACCUMULATED DEPRECIATION						
Amortization of the period		-9.833	-6.386	-3.574	-10.392	-30.185
Disposals		42				42
Impairment / write-off		66				66
Additions due to acquisition of subsidiaries		-15	-1.612	-3		-1.630
Exchange differences		2.062	669	2.071	1.554	6.356
Transfer of assets from (to) other categories		122	-122			0
Transfer from (to) inventories and tangible assets		11			-25	-14
Disposal of subsidiaries/change in consolidation method		1.990		8	194	2.192
Net Book value 31 December 2017	**58.041**	**67.645**	**88.269**	**18.547**	**92.006**	**324.508**
Cost	58.041	138.564	129.289	38.626	196.730	561.250
Accumulated amortization	0	-70.919	-41.020	-20.079	-104.724	-236.742
Net Book value 31 December 2017	**58.041**	**67.645**	**88.269**	**18.547**	**92.006**	**324.508**

[1] The internally generated intangible assets of the Group include an individually material intangible asset of net book value €72.779 thousand on 31/12/2017 (central operating system – LOTOS and relevant modules, which supports the majority of the contracts of the Group). The remaining amortization period of the central operating system is up to 20 years whereas additions, upgrades and improvements to this asset are constant.

[2] The Group "Licenses' include intangible assets with indefinite useful lives (lottery games intellectual property rights) amounting €2,3 million 31/12/2017.

The Group (continuing operations) recognized impairment losses/write-offs of intangible fixed assets amount to €650 thousand (discontinued operations €0 thousand) during the period 1/1-31/12/2017 which were recognized in the income statement (in "Gain / (Losses) from assets disposal, impairment losses & write-off of assets" - note 2.8). The largest portion amount to €565 thousand regards impairment loss on software of subsidiary Loteria Moldovei S.A. (definite cease of activity due to state monopoly).

The above Intangible assets amortization of €35.185 thousand, includes €22 thousand related to amortization of discontinued operations.

COMPANY	SOFTWARE	DEVELOPMENT COSTS (Internally generated) [1]	INDUSTRIAL PROPERTY RIGHTS & LICENCES	TOTAL
1 January 2018				
Cost	58.914	101.282	26.506	186.702
Accumulated amortization	-42.825	-28.503	-21.645	-92.973
Net Book value 1 January 2018	**16.089**	**72.779**	**4.861**	**93.729**
COST				
Additions of the period	4.712	3.085	864	8.661
ACCUMULATED DEPRECIATION				
Amortization of the period	-5.361	-4.838	-1.381	-11.580
Net Book value 31 December 2018	**15.440**	**71.026**	**4.344**	**90.810**
Cost	63.626	104.367	27.370	195.363
Accumulated amortization	-48.186	-33.341	-23.026	-104.553
Net Book value 31 December 2018	**15.440**	**71.026**	**4.344**	**90.810**

COMPANY	SOFTWARE	DEVELOPMENT COSTS (Internally generated) [1]	INDUSTRIAL PROPERTY RIGHTS & LICENCES	TOTAL
1 January 2017				
Cost	53.617	92.280	25.729	171.626
Accumulated amortization	-37.527	-24.064	-19.991	-81.582
Net Book value 1 January 2017	**16.090**	**68.216**	**5.738**	**90.044**
COST				
Additions of the period	5.297	9.002	777	15.076
ACCUMULATED DEPRECIATION				
Amortization of the period	-5.298	-4.439	-1.654	-11.391
Net Book value 31 December 2017	**16.089**	**72.779**	**4.861**	**93.729**
Cost	58.914	101.282	26.506	186.702
Accumulated amortization	-42.825	-28.503	-21.645	-92.973
Net Book value 31 December 2017	**16.089**	**72.779**	**4.861**	**93.729**

[1] The internally generated intangible assets of the Company include an individually material intangible asset (central operating system – LOTOS and relevant modules, which supports the majority of the contracts of the Group). The remaining amortization period of the central operating system is 20 years whereas additions, upgrades and improvements to this asset are constant.

Goodwill and Intangible assets with indefinite useful life impairment test

Management tests goodwill for impairment annually (31 December) or more frequently if events occur or changes in circumstances indicate that the carrying value may have been reduced in accordance with accounting practice described in note 2.1.6 "Business Combination and Goodwill".
The Group tested goodwill for impairment on 31/12/2018 and the key assumptions that are used for the determination of the recoverable amount are disclosed below.
The Group, through its Turkish subsidiary Inteltek Internet AS, submitted on 11/2/2019 and 13/2/2019 offers to the Turkish State Organization Spor Toto tender for the management of sports betting for 10 years. Early March 2019, Inteltek internet AS was notified that the tender of Turkish State Organization Spor Toto was concluded and the tender was awarded to the other bidder. Inteltek Internet AS has been active in Turkey's sports betting market since 2004 and manages the current IDDAA betting license with a contract expiring on 28/8/2019. During the subsidiary Inteltek Internet AS acquisition goodwill impairment test as of 31/12/2018, and taking into account the final outcome of the above tender, the Group recognized a relevant provision of impairment of €14.429 thousand, since the recoverable amount of the entity based on the value in use calculations until the expiration of the current contract on 28/8/2019 was less than the carrying amount of the entity. The remaining value of Inteltek Internet acquisition goodwill as of 31/12/2018 was €3.291 thousand and will be retested for impairment on 31/3/2019.
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. Goodwill impairment testing is performed on subsidiary level.

Carrying amount:

CGU	Goodwill		Intangible assets with indefinite useful life	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
European Union	23.437	23.552	2.300	2.300
America	820	1.578	29	4
Other countries	10.267	32.911	0	0
Total	**34.524**	**58.041**	**2.329**	**2.304**

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 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 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, it is very possible the renewal of the relevant contracts beyond the five year period. 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 use value 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	2018	2017
European Union	0,0% - 5,2%	-0,9% - 5,4%
Other Europe	n/a	n/a
America	0,0% - 22,6%	0,0% - 33,7%
Other countries	0,0% - 44,5%	0,0% - 3,6%

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	2018	2017
European Union	-0,2% - 1,6%	0,0% - 2,4%
Other Europe	n/a	n/a
America	0,0% - 10,0%	0,0% - 20,0%
Other countries	0,0% - 6,9%	0,0% - 2,0%

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. Cost of debt based on the interest rate of the Group loans. The specific risk of each country is incorporated by implementing individualized sensitivity factors "beta" (beta factors). The sensitivity factors "beta" evaluated annually based on published market data.

Discount rates:

CGU	2018	2017
European Union	7,5% - 8,9%	6,6% - 7,3%
Other Europe	n/a	n/a
America	24,8% - 24,8%	21,7% - 21,7%
Other countries	0,0% - 22,5%	14,3% - 15,1%

Recoverable amount sensitivity analysis:

On 31/12/18, 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. Regarding Inteltek Internet AS, a change of a percentage point to the Sales growth rate for the period 1/1-28/8/2019 would result in a higher goodwill impairement loss of €171 thousand.

2.17 INVESTMENT IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

GROUP INVESTMENT IN ASSOCIATES AND JOINT VENTURES	% Participation	Country	31/12/2018	31/12/2017
Lotrich Information Co LTD	40%	Taiwan	5.836	5.844
Goreward LTD Group	38,84%	China	27.332	47.000
Gamenet Group SpA	20%	Malta	77.652	67.523
Intralot de Peru SAC	20%	Italy	15.635	15.395
Karenia Enterpises Co Ltd	50%	Peru	6.742	0
Other			1	1
Total			**133.198**	**135.763**

GROUP INVESTMENT IN ASSOCIATES AND JOINT VENTURES	31/12/2018	31/12/2017
Opening Balance before the application of IFRS 9	**135.763**	**180.807**
Effect due to 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	-18.309	-3.412
Change in consolidation method	0	-4.482
Additions/contribution in kind	6.426	848
Exchange differences	-265	-12.912
Impairment /Reverse of impairment[1]	16.000	-24.624
Dividends	-5.272	-645
Other	5	183
Closing Balance	**133.198**	**135.763**

[1]The Group on 31/12/2018 includes a reversal of a provision of €16.000 thousand which relates to a relative estimation of decrease in the recoverable amount of the participation in the associate entity Gamenet Group S.p.A. which was recognized the previous year. The reversal was made in accordance with IAS 36 para. 110, as following the acquisition of GoldBet (note 2.31.A.III) in October 2018, the value of the participation in the associate entity Gamenet Group S.p.A. increased significantly. The valuation of the participation was carried out by an external independent valuator.

COMPANY INVESTMENT IN ASSOCIATES AND JOINT VENTURES	% Participation	Country	31/12/2018	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	31/12/2018	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	11.031	15.231
Bilyoner Interactif Hizmelter AS	50,01%	Turkey	10.751	10.751
Intralot Global Securities BV	100,00%	Nederland	55.636	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			**125.249**	**130.841**
Grand Total			**135.908**	**141.500**

COMPANY INVESTMENT IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES	31/12/2018	31/12/2017
Opening Balance	**141.500**	**155.740**
Provisions/ reversals of provisions for impairment of subsidiaries[1]	-4.200	-15.295
Contribution of investment of subsidiary	0	1.055
Reversal of subsidiary capital	-1.392	0
Closing Balance	**135.908**	**141.500**

¹ The Group on 31/12/2018 includes impairment provision of goodwill in subsidiary Inteltek A.S. amounts to €4,2 million following the award of the competition, that completed in the first quarter of 2019, to another bidder. Inteltek A.S., has been running the Iddaa game since 2004 and continues to manage the current Iddaa betting license with a contract expiring on 28/08/2019.

2.18 OTHER FINANCIAL ASSETS

Other financial assets which in total have been classified by the Group as "Available for sale" and "Held to maturity" are analyzed as follows:

	GROUP		COMPANY	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Opening Balance	**22.438**	**21.910**	**1.243**	**1.483**
Purchases	672	2.260	0	0
Addition due to acquisition	-3.130	0	0	0
Return of Capital	-827	-921	0	0
Disposals	-4.400	0	0	0
Fair value revaluation	2.150	-685	-30	-240
Exchange differences	-224	-112	0	0
Disposal of subsidiary	0	-14	0	0
Closing balance	**16.679**	**22.438**	**1.213**	**1.243**
Quoted securities	770	1.600	30	60
Unquoted securities[1 2]	15.909	20.838	1.183	1.183
Total	**16.679**	**22.438**	**1.213**	**1.243**
Long-term Financial Assets[2]	16.042	21.524	1.213	1.243
Short-term Financial Assets[1]	637	914	0	0
Total	**16.679**	**22.438**	**1.213**	**1.243**

¹ In Group, "Unquoted securities" and "Short-Term Financial Assets" include bank term deposits of €165 thousand with a maturity of more than 3 months, pursuant to IAS 7, paragraph 7 as at December 31, 2018.
² In Group, "Unquoted securities" and "Long-Term Financial Assets" include investment of 16,5% of Hellenic Lotteries SA which is accounted pursuant to IFRS 9. The book value of the investment as at 31/12/2018 was €14.561 thousand.

During the 2018 the Group gain arising from the valuation at fair value of the above financial assets amount to €2.150 thousand (2017: losses €685 thousand) are analyzed in gain amount to €2.062 thousand (2017: losses €627 thousand) recorded in a separate equity reserve revaluation reserve) and in gain amount to €88 thousand (2017: losses of €58 thousand) recognized in the income statement. Respectively for the Company, the losses amounting €30 thousand (2017: losses of €240 thousand) are analyzed in losses amount to €30 thousand (2017: losses of €240 thousand) recorded in a separate equity reserve (revaluation reserve).

For investments that are actively traded in organized financial markets, 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.

2.19 OTHER LONG TERM RECEIVABLES

	GROUP		COMPANY	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Trade Receivables	2.737	6.006	0	0
Receivables from related parties (note 2.31.E)	1.995	2.053	28	28
Minus: Provisions	-639	0	0	0
Guarantees	3.406	2.063	104	100
Other receivables	4.060	6.393	14	14
Minus: Provisions	-2.727	0	0	0
Total	**8.832**	**16.515**	**146**	**142**

Reconciliation of changes in provisions for impairment of long-term receivables	GROUP		COMPANY	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Opening Balance before the application of IFRS 9	**0**	**0**	**0**	**0**
Effect due to the application of IFRS 9	-2.561	0	0	0
Opening Balance after the application of IFRS 9	**-2.561**	**0**	**0**	**0**
Provisions for the period for receivables from other related parties	-659	0	0	0
Provisions for the period for receivables from third parties	-166	0	0	0
Exchange differences	20	0	0	0
Closing Balance	**-3.366**	**0**	**0**	**0**

2.20 TRADE AND OTHER SHORT TERM RECEIVABLES

	GROUP		COMPANY	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Trade receivables (third parties) [2]	79.538	86.257	40.129	41.769
Minus: Bad debt provisions	-12.420	-7.601	-6.734	-4.736
Trade receivables from related entities and other related parties (note 2.31.E)	9.288	7.893	57.469	52.201
Minus: Bad debt provisions	-5.037	-4.348	-10.929	-19.468
Total trade receivables	**71.369**	**82.201**	**79.935**	**69.766**
Other receivables (third parties) [2]	14.452	11.220	6.693	5.986
Minus: Bad debt provisions	-1.168	-1.168	-1.168	-1.168
Other receivables from related entities and other related parties (note 2.31.E)	11.212	11.757	35.396	36.528
Minus: Bad debt provisions	-1.060	0	-23.767	-23.707

Pledged bank deposits [1]	389	390	159	159
Tax receivables	18.682	21.875	6.232	13.001
Prepaid expenses and other receivables	19.988	19.300	6.890	5.352
Total other receivables	**62.495**	**63.374**	**30.435**	**36.151**
Total	**133.864**	**145.575**	**110.370**	**105.917**

[1] The Group includes collateralized bank deposits as security coverage for banking facilities amounting €30 thousand (31/12/2017: €30 thousand) and other collateralized bank deposits amount to €359 thousand (31/12/2017: €360 thousand). The Company includes collateralized bank deposits as security coverage for banking facilities amounting €30 thousand (31/12/2017: €30 thousand) and other collateralized bank deposits amount to €129 thousand (31/12/2017: €129 thousand).

[2] The account «Trade receivables» and «Other receivables» of the Company and the Group include a receivable from the "Hellenic Organization of Horse Racing S.A." (ODIE) amount to €30,3 million (31/12/2017: €27,1 million) that was overdue until November 2015 and had not been impaired. In November 2015 an agreement was signed between the Company and ODIE which set the repayment of all of the above receivables of the Company. With this agreement ODIE granted the Company 2/3 of the rent which it will receive from the lease of property of ODIE (Markopoulos facilities) to the company 'Ippodromies SA ". The payment of the assigned lease to the Company has already started from January 2016. The whole of this receivable is covered by collateral as disclosed in note 2.32.A.m "Contingent liabilities" - "Litigation cases". We also note that the Company assesses the risk of non-collectability as minimum, given both the public character of ODIE, and the reception of physical collateral (first mortgage and note of mortgage) on the above mentioned property of ODIE. The record of the above physical collateral, was made for the amount of €20,9 million against the real estate and the facilities of ODIE in Markopoulos, that have a multiple fair value, making the collection of the claim as fully secured.

Following the first application of IFRS 9 on 1/1/2018, for the determination of the expected credit losses and the recognition of relevant doubtful provisions on 31/12/2018, the Group followed the general model as described in paragraph 2.1.12.i.d of accounting policies. For the year 2017, the recognition of doubtful provisions was estimated using the existing losses model based on IAS 39. Subsequent changes in market conditions and the business model of the Group may affect the below estimations.

Reconciliation of changes in provisions for impairment of short-term receivables	GROUP		COMPANY	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Opening Balance before the application of IFRS 9	**-13.117**	**-17.808**	**-49.079**	**-47.032**
Effect due to the application of IFRS 9	-4.588	0	-2.688	0
Opening Balance after the application of IFRS 9	**-17.705**	**-17.808**	**-51.767**	**-47.032**
Provisions for the period for receivables from affiliates [1]	0	0	-3.090	-3.589
Provisions for the period for receivables from associates / joint ventures [1]	-1.060	0	-1.060	0
Provisions for the period for receivables from third parties [2]	-964	-1.405	0	-640
Provisions utilized for receivables from affiliates	0	0	2.559	733
Provisions utilized for receivables from third parties	90	2.635	0	0
Reversed provisions for receivables from affiliates	0	0	10.760	1.449
Reversed provisions for receivables from third parties	0	29	0	0
Subsidiaries disposal/change in consolidation method	1	2.885	0	0
Exchange differences	-47	547	0	0
Closing Balance	**-19.685**	**-13.117**	**-42.598**	**-49.079**

[1] Relating to impairment provision of receivables from affiliate and associate companies of the Group derived either from machinery and equipment disposal and services rendered or from loan contracts.

[2] Relating to impairment provision of receivables from debtors (third parties outside the Group) derived from commercial transactions in the ordinary course of business.

The maturity information of short-term and long-term receivables is as follows:

RECEIVABLES	GROUP		COMPANY	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Trade receivables	82.275	92.263	40.129	41.769
Provisions for doubtful receivables	-12.420	-7.601	-6.734	-4.736
Receivables from related parties (note 2.31.E)	22.495	21.703	92.893	88.757
Provisions for doubtful receivables	-6.736	-4.348	-34.696	-43.175
Pledged bank deposits	389	390	159	159
Tax receivables	18.682	21.875	6.232	13.001
Guarantees	3.406	2.063	104	100
Prepaid expenses, advances and other receivables	38.500	36.913	13.597	11.352
Provisions for doubtful receivables	-3.895	-1.168	-1.168	-1.168
Total	**142.696**	**162.090**	**110.516**	**106.059**
MATURITY INFORMATION				
0-3 months	45.778	61.045	16.681	16.723
3-12 months	88.086	84.530	93.689	89.194
More than 1 year	8.832	16.515	146	142
Total	**142.696**	**162.090**	**110.516**	**106.059**

2.21 INVENTORIES

	GROUP		COMPANY	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Merchandise – Equipment	32.681	29.217	14.831	18.839
Other	14.438	3.803	0	0
Total	**47.119**	**33.020**	**14.831**	**18.839**
Impairment	-1.536	-1.538	0	0
Total	**45.583**	**31.482**	**14.831**	**18.839**

The amount transferred to profit and loss during 2018, from disposal/usage and provisions for impairment of inventories for the Group was €7.775 thousand (2017: €7.179 thousand) while the respective amount for the Company was €6.713 thousand (2017: €3.585 thousand) and included in «Cost of sales».

Reconciliation of changes in inventories provision for impairment	GROUP		COMPANY	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Opening balance for the period	**-1.538**	**-2.078**	**0**	**0**
Period provisions*	0	0	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**

*Included in «Cost of sales»

There are no liens on inventories.

2.22 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	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Cash and bank current accounts	161.935	236.855	33.146	20.434
Short term time deposits/investments (cash equivalents)	526	1.186	0	0
Total	**162.461**	**238.041**	**33.146**	**20.434**

2.23 SHARE CAPITAL, TREASURY SHARES AND RESERVES

Share Capital

Total number of authorized shares	31/12/2018	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**
Cancelation of shares	-2.000.000	-600
Balance 31 December 2018	**156.961.721**	**47.089**

On 16/5/2018 the Ordinary General Meeting of the Shareholders approved the reduction of the share capital of the Company by 2.000.000 shares (€ 600 thousand) with corresponding cancellation of 2.000.000 treasury 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 2018, the Company purchased 9.218.779 treasury shares (5,87% of the Company's share capital) at an average price of €0,93 per share, totalling €8.589 thousand. On 31/12/2018 the Company held 9.200.033 treasury shares (5,86% of the company's share capital) with average price €0,93 per share, with total price of €8.528 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.

	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	9.218.779	8.589	9.218.779	8.589
Cancellation of treasury shares	-2.000.000	-2.210	-2.000.000	-2.210
Balance 31 December 2018	**9.200.033**	**8.528**	**9.200.033**	**8.528**

Reserves

Exchange differences reserve

This reserve is used to record the exchange differences arising from the translation of foreign subsidiaries' financial statements. The balance of this reserve for the Group at 31/12/2018 was €-88,0 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 2018 amount to €16,2 million, out of which loss of €11,2 million is attributable to the owners of the parent Company and loss of €5,0 million to non-controlling interest. The above total net loss for 2018 comes mainly from the fluctuation of TRY, CNY, ARS and USD against the EUR.

Alongside, in 2018, a cumulative loss of €1.327 million was reclassified / recycled to the income statement (line "Profit / (loss) after tax from discontinued operations") from the foreign exchange differences reserve due to the sale of the subsidiary Azerinteltek AS.

Respectively, in 2017, a cumulative loss of €16,6 million was reclassified / recycled to the income statement (line "Profit / (loss) after tax from discontinued operations") from the foreign exchange differences reserve due to the sale of the subsidiaries Favorit Bookmakers Office OOO , Supreme Ventures Ltd, Intralot Caribbean Ventures Ltd and Slovenske Loterie AS.

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

- **Statement of Financial Position**:

	31/12/2018	31/12/2017	Change
EUR / USD	1,15	1,20	-4,2%
EUR / AUD	1,62	1,53	5,9%
EUR / TRY	6,06	4,55	33,2%
EUR / PEN	3,86	3,89	-0,8%
EUR / AZN	1,95	2,04	-4,4%
EUR / ARS	43,10	22,39	92,5%
EUR / PLN	4,30	4,18	2,9%
EUR / BRL	4,44	3,97	11,8%

- **Income Statement**:

	Avg. 1/1-31/12/2018	Avg. 1/1-31/12/2017	Change
EUR / USD	1,18	1,13	4,4%
EUR / AUD	1,58	1,47	7,5%
EUR / TRY	5,71	4,12	38,6%
EUR / PEN	3,88	3,68	5,4%
EUR / AZN	2,00	1,94	3,1%
EUR / ARS[1]	43,10	18,75	129,9%
EUR / PLN	4,26	4,26	-
EUR / BRL	4,31	3,61	19,4%

[1] The Income Statement of 2018 of the Group's subsidiaries operating in Argentina was converted at the closing rate of 31/12/2018 instead of the Avg. 1/1-31/12/2018 pursuant to IAS 21, paragraph 42a, for hyperinflationary economies.

Other Reserves

	GROUP		COMPANY	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Statutory Reserve	24.795	28.201	15.896	15.896
Extraordinary Reserves	1.689	1.689	1.456	1.456
Tax Free and Specially Taxed Reserves	40.813	31.331	38.091	28.600
Treasury shares reserve	5	5	5	5
Actuarial differences reserve	-145	-187	-119	-186
Hedging reserve	0	-18	0	-18
Revaluation reserve	-2.195	-4.283	-2.204	-2.174
Total operations	**64.962**	**56.738**	**53.125**	**43.579**

Statutory reserve

Some of the Group companies are obliged, according to commercial laws in force in the country based, to form a percentage of their annual net profit as reflected in their statutory books to a legal reserve. Under Greek corporate law, companies are required to form at least 5% of their annual net profit as reflected in their statutory books to a legal reserve until the aggregate amount of legal reserve reaches at least 1/3 of the share capital. This reserve cannot be distributed during the Company's operation. Statutory reserve at 31 December 2018 amounts to €24,8 million for the Group and €15,9 million for the Company (2017: €28,2 million and €15,9 million respectively).

Extraordinary Reserves

They concern among other, reserves formed under development laws, from the Company and certain subsidiaries of the Group. For these reserves the tax liability has run out or permanently exempted from taxation and therefore their distribution does not create further tax burden on the Group and Company. Extraordinary reserves on 31 December 2018 amount to €1,7 million for the Group and €1,5 million for the Company (2017: €1,7 million and €1,5 million respectively).

Tax free and specially taxed reserves

Tax-free and specially taxed reserves represent investment or development laws and special laws reserves and interest income, which are either tax free or taxed at 15% at source.

These revenues are not taxable provided that there are sufficient profits from which can be formed relative untaxed reserves. According to the Greek tax legislation, these reserves are exempt from income tax, provided they are not distributed to shareholders. The distribution of the balance of these reserves can only occur following the approval of shareholders in a regular meeting and if the applicable taxation is paid. The Group does not intend to distribute the balance of these reserves and therefore has not calculated the tax liability that would arise from the distribution. Also the dividends received or received from resident companies which have their registered office in another member state of the European Union, in which the resident company participates within the meaning of article 11 of L.2578/1998, and the articles 48 & 63 of (L.4172/2013) are exempt from taxation. The exempt amount is shown in a special reserve account (POL.1007 / 2014), irrespective of the profitability or not. If this or any part of the reserve is distributed or capitalized, the amount of the reserve is not added to earnings aggregated with other earnings. The balance of the tax free and specially taxed reserves on 31 December 2018 was €40,8 million for the Group (2017: €31,3 million.) and €38,1 million for the Company (2017: €28,6 million.).

Treasury shares reserve

It relates to profits or losses arising from the sale, re-issue or cancellation of treasury shares and amounted to € 5 thousand for the Group and the Company on 31/12/2018.

Actuarial differences reserve

It concerns actuarial gains / losses arising from actuarial studies performed by the Group to its subsidiaries for the various benefit plans to employees. The actuarial differences reserve on 31 December 2018 amount to €-145 thousand for the Group and €-119 thousand for the Company (2017: €-187 thousand and €-186 thousand respectively).

Hedging Reserve

It relates to the results obtained from the valuation of the financial instruments used as cash flow hedges to cover the exchange rate risk. The hedging reserve is 31 December 2017 at € -18 thousand for the Group and the Company.

Revaluation Reserve

It concerns changes in the fair value of assets through other comprehensive income amount on 31 December 2018 to €-2,2 million for the Group and €-2,2 million for the Company (2017: €-4,3 million and €-2,2 million respectively).

Analysis of changes in other comprehensive income by category of reserves

GROUP 1/1-31/12/2018	Actuarial differences Reserve	Revaluation Reserve	Hedging Reserve	Foreign exchange differences Reserve	Retained Earnings	Total	Non-controlling interest	Grand total
Defined benefit plans revaluation for subsidiaries and parent company	42				-11	**31**	-8	**23**
Revaluation of defined benefit plans of associates and joint ventures					-91	**-91**		**-91**
Valuation of assets measured at fair value through other comprehensive income of parent and subsidiaries		2.093				**2.093**	-5	**2.088**
Valuation of derivatives of subsidiaries and parent company			18			**18**		**18**
Foreign exchange differences on consolidation of subsidiaries				-10.940		**-10.940**	-5.025	**-15.965**
Share of foreign exchange differences on consolidation of associates and joint ventures				-267		**-267**		**-267**
Other comprehensive income / (expenses) after tax	**42**	**2.093**	**18**	**-11.207**	**-102**	**-9.156**	**-5.038**	**-14.194**

GROUP 1/1-31/12/2017	Actuarial differences Reserve	Revaluation Reserve	Hedging Reserve	Foreign exchange differences Reserve	Retained Earnings	Total	Non-controlling interest	Grand total
Defined benefit plans revaluation for subsidiaries and parent company	-216				79	**-137**	19	**-118**
Revaluation of defined benefit plans of associates and joint ventures	63					**63**		**63**
Valuation of assets measured at fair value through other comprehensive income of parent and subsidiaries		-346				**-346**	-11	**-357**
Share of valuation of assets valued at fair value through other comprehensive income of associates and joint ventures		86				**86**		**86**
Valuation of derivatives of subsidiaries and parent company			-18			**-18**		**-18**
Foreign exchange differences on consolidation of subsidiaries				-2.655		**-2.655**	-11.532	**-14.187**
Share of foreign exchange differences on consolidation of associates and joint ventures				-12.911		**-12.911**		**-12.911**
Other comprehensive income / (expenses) after tax	**-153**	**-260**	**-18**	**-15.566**	**79**	**-15.918**	**-11.524**	**-27.442**

COMPANY 1/1-31/12/2018	Actuarial differences reserve	Revaluation Reserve	Hedging reserve	Total
Defined benefit plans revaluation	67	0	0	**67**
Valuation of assets measured at fair value through other comprehensive income	0	-30	0	**-30**
Valuation of derivatives	0	0	18	**18**
Other comprehensive income / (expenses) after tax	**67**	**-30**	**18**	**55**

COMPANY 1/1-31/12/2017	Actuarial differences reserve	Revaluation Reserve	Hedging reserve	Total
Defined benefit plans revaluation	-104	0	0	-104
Valuation of assets measured at fair value through other comprehensive income	0	-240	0	-240
Valuation of derivatives	0	0	-18	-18
Other comprehensive income / (expenses) after tax	-104	-240	-18	-362

2.24 DIVIDENDS

	GROUP		COMPANY	
Declared dividends of ordinary shares:	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**
Final dividend of 2012	680	0	0	0
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	24.442	0	0	0
Interim dividend of 2018	13.580	0	0	0
Dividend per statement of changes in equity	**39.214**	**44.895**	**0**	**0**

Paid Dividends on ordinary shares:

During 2018 dividends paid on ordinary shares, aggregated €36.317 thousand (2017: €38.621 thousand).

2.25 DEBT

Long term loans and finance leases:

			GROUP		COMPANY	
	Currency	**Interest rate**	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**
Facility A (€250,0 million)	EUR	6,75%	249.308	247.520	0	0
Facility B (€500,0 million)	EUR	5,25%	493.364	490.956	0	0
Intercompany Loans			0	0	286.380	232.179
Other			36.488	7.439	0	0
Total Loans (long term and short term) before repurchasing			**779.160**	**745.915**	**286.380**	**232.179**
Less: Payable during the next year			-38.929	-17.927	0	0
Repurchase of Facility B			-4.934	0	0	0
Long term loans after repurchasing			**735.297**	**727.988**	**286.380**	**232.179**
Long term finance leases			1.797	1.389	0	0
Total long term debt (loans and finance leases)			**737.094**	**729.377**	**286.380**	**232.179**

Short term loans and finance leases:

	GROUP		COMPANY	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Facility A (€250,0 million)	4.652	4.839	0	0
Facility B (€500,0 million)	7.235	7.256	0	0
Intercompany loans	0	0	0	0
Other	27.135	5.832	0	0
Short term loans before repurchasing	**39.022**	**17.927**	**0**	**0**
Repurchasing Facility B	-93	0	0	0
Short term loans after repurchasing	**38.929**	**17.927**	**0**	**0**
Short term finance leases	1.726	1.418	0	0
Total short term debt (loans and finance leases)	**40.655**	**19.345**	**0**	**0**

	GROUP		COMPANY	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Total debt (loans and finance leases)	**777.749**	**748.722**	**286.380**	**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 for incurring additional debt 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).

- 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 for incurring additional debt 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). During 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 Group under the Senior Notes (Facility A & B) terms 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 (31/12/2018: aprroximatelly 3,32), and will be able to incur additional senior debt so long as on a pro forma basis its consolidated senior leverage ratio is not more than 3,75 (31/12/2018: approximately 4,71). Furthermore to the above, the Group can incur additional debt from specific baskets.

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.

Other facilities:

- Facility C: On December 2017 Intralot Finance UK Ltd signed a loan agreement guaranteed by the parent and subsidiaries of the Group amount to €15 million as term loan. The Group utilised this facility in February 2018. Loan agreement matures on 10/05/2019 and bears a floating rate (Euribor) plus a 2,75% margin. The above facility does not include financial covenants and the nominal outstanding balance on 31/12/2018 was €15 million.

- Facility D: In December 2017 Intralot Finance UK Ltd signed loan agreement guaranteed by the parent and subsidiaries of the Group amounting €40 million as revolving facility. Loan agreement matures on 30/06/2021 (with an extension option up to 31/12/2022 in case Facility A has been fully repaid until 30/6/2021), and bears a floating rate (Euribor) plus a 4,50% margin. The financial terms of the above loan, include minimum ratio requirements of total net debt to EBITDA (Leverage Ratio<3,75) - (31/12/2018: 5,28), and the Interest Coverage ratio>3,50 - (31/12/2018: 2,97). On 31/12/2018 the Group had not utilised the above revolving facility. On 31/12/2018 the Group was not in compliance with the financial covenants of the above loan, but is in the process of redefining the relevant terms in the context of the Group's new strategy.

- Facility E: In February 2018 Intralot Finance UK Ltd signed loan agreement guaranteed by the parent and subsidiaries of the Group amounting €40 million as revolving facility. Loan agreement matures on 30/06/2021 (with an extension option up to 31/12/2022 in case Facility A has been fully repaid until 30/6/2021), and bears a floating rate (Euribor) plus a 4,50% margin. The financial terms of the above loan, include minimum ratio requirements of total net debt to EBITDA (Leverage Ratio<3,75) - (31/12/2018: 5,28), and the Interest Coverage ratio>3,00 - (31/12/2018: 2,97). On 31/12/2018 the Group had not utilised the above revolving facility. On 31/12/2018 the Group was not in compliance with the financial covenants of the above loan, but is in the process of redefining the relevant terms in the context of the Group's new strategy.

Regarding facilities D & E (revolving facilities) 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).

Reconciliation of liabilities arising from financing activities:

GROUP	Balance 31/12/2017	Cash flows	Non cash adjustments					Balance 31/12/2018
			Accrued interest	Foreign exchange differences	New consolidated companies / companies disposals	Transfers	Issue costs	
Long term loans	727.988	17.631	0	243	-10.687	0	122	735.297
Short term loans	17.927	-37.566	47.860	242	10.687	0	-221	38.929
Long term finance lease	1.389	-1.478	0	70	0	1.816	0	1.797
Short term finance lease	1.418	-711	109	53	0	857	0	1.726
Total liabilities from financing activities	**748.722**	**-22.124**	**47.969**	**608**	**0**	**2.673**	**-99**	**777.749**

GROUP	Balance 31/12/2016	Cash flows	Non cash adjustments					Balance 31/12/2017
			Accrued interest	Foreign exchange differences	New consolidated companies / companies disposals	Transfers	Issue costs	
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**

Maturity of long term debt:

Long term loans after repurchases:

	GROUP		COMPANY	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
From 1 to 5 years	247.893	243.183	248.645	232.179
More than 5 years	487.404	484.805	37.735	0
Total	**735.297**	**727.988**	**286.380**	**232.179**

Long term finance leases:

	GROUP		COMPANY	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
From 1 to 5 years	1.797	1.389	0	0
More than 5 years	0	0	0	0
Total	**1.797**	**1.389**	**0**	**0**

Total debt is classified as below in relation to the issue currency:

Long term loans after repurchases:

	GROUP		COMPANY	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Loans in EUR	726.444	726.882	286.380	232.179
Loans in USD	8.008	0	0	0
Loans in BGL	845	1.105	0	0
Loans in BRL	0	0	0	0
Loans in ARS	0	1	0	0
Total	**735.297**	**727.988**	**286.380**	**232.179**

Long term finance leases:

	GROUP		COMPANY	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Leases in USD	1.775	1.286	0	0
Leases in BGL	16	78	0	0
Leases in BRL	6	2	0	0
Leases in TRY	0	23	0	0
Total	**1.797**	**1.389**	**0**	**0**

Short term loans after repurchases:

	GROUP		COMPANY	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Loans in EUR	26.900	12.095	0	0
Loans in USD [1]	10.028	3.572	0	0
Loans in PLN	1.272	1.321	0	0
Loans in BGL	260	380	0	0
Loans in ARS	1	4	0	0
Loans in BRL	440	535	0	0
Loans in TRY	28	20	0	0
Total	**38.929**	**17.927**	**0**	**0**

[1] The Group under "Loans in USD" includes a financing from other related parties amounting €302 thousand (31/12/2017: €303 χιλ.) (note 2.31.E).

Short term finance leases:

	GROUP		COMPANY	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Leases in USD	1.712	1.290	0	0
Leases in BGL	10	30	0	0
Leases in BRL	4	5	0	0
Leases in TRY	0	93	0	0
Total	**1.726**	**1.418**	**0**	**0**

2.26 STAFF RETIREMENT INDEMNITIES

(a) State Insurance Programs:

The Group's contributions to the State insurance funds for the year ended 31 December 2018 that were reported in the year's expenses amount to €12.271 thousand as stated in note 2.4.

(b) Insurance Programs in USA:

The US Subsidiaries have a defined contribution plan ("The Intralot USA 401 (k) Plan") under Section 401 (k) of the Internal Revenue Code, which covers virtually all their full-time employees. The program requires matching contributions up to 6% of employees' salaries, and there is a provision for additional contributions that are at the discretion of the Board of Directors. The Group's subsidiaries in the US incurred expenses related to the above program, which in 2018 amounted to €905 thousand (2017: €721 thousand) and are included under "Other staff costs" in note 2.4. On retirement, "The Intralot USA 401 (k) Plan" is responsible for paying employees' retirement benefits. Consequently, the Group has no legal or constructive obligation to pay future benefits under this plan.

(c) Staff Retirement Indemnities:

According to Greek Labor Law, employees are entitled to indemnity on dismissal or retirement, the amount of which varies depending on the years of service, salary level and the way the employee leaves employment (dismissal or retirement). Employees that resign or are dismissed for legally valid reasons are not indemnified. The indemnity payable on retirement is 40% of the amount that would have been payable to the same employee on dismissal on the same day (retirement date). In Greece, based on customary practice these programs are not funded. The Group charges to the income statement the expense attributable to the service provided by employees in the year, with a corresponding increase in the provision for staff retirement indemnities. Any payments made to retiring employees, are set against the related provision.

Independent actuaries calculated the Company's and the Group's liability for retirement indemnities. The movement of the net liability as presented in the financial position, details and the basic assumptions used in the actuarial study as at 31 December 2018 are as follows:

	GROUP		COMPANY	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Present Value of unfunded liability	5.111	5.451	3.249	3.489
Unrecognized actuarial losses	0	0	0	0
Net liability on the financial position	**5.111**	**5.451**	**3.249**	**3.489**
Components of the net retirement cost in the year:				
Current service cost	387	467	188	297
Finance cost	130	128	52	54
Effect of cutting / settlement / termination benefits	1.075	1.208	883	1.032
Intragroup staff transfer	0	0	2	-39

Debit to income statement (Note 2.4)- (total operations)	**1.592**	**1.803**	**1.125**	**1.344**
Additional service cost	0	0	0	0
Total charge to income statement	**1.592**	**1.803**	**1.125**	**1.344**
Actuarial (gains) / losses recognized in other comprehensive income (before deferred tax)	-39	150	-93	147
Deferred tax attributable to actuarial (gains)/losses	16	-32	26	-43
Total debit/(credit) / losses in other comprehensive income	**-23**	**118**	**-67**	**104**
Reconciliation of benefit liabilities:				
Net liability at beginning of year	5.451	5.382	3.489	3.396
Service cost	387	467	188	297
Finance cost	130	128	52	54
Effect of cutting / settlement / termination benefits	1.075	1.207	883	1.032
Benefits paid	-1.614	-1.633	-1.272	-1.398
Intragroup staff transfer	0	0	2	-39
Disposal of subsidiary	0	-16	0	0
Actuarial (gains) / losses	-39	150	-93	147
Exchange differences	-279	-234	0	0
Present Value of the liability at end of year	**5.111**	**5.451**	**3.249**	**3.489**

Basic assumptions:

	GROUP		COMPANY	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Discount rate	3,19%	3,48%	1,40%	1,50%
Percentage of annual salary increases	3,53%	3,31%	1,75%	1,75%
Increase in Consumer Price Index	3,29%	3,13%	1,75%	1,75%

Sensitivity analysis for the most important assumptions on 31/12/2018:

Effect on current service cost	GROUP		COMPANY	
	increase 1%	decrease 1%	increase 1%	decrease 1%
Discount rate	-99	132	-61	82
Percentage of annual salary increases	121	-100	74	-58

Effect on present value of liability	GROUP		COMPANY	
	increase 1%	decrease 1%	increase 1%	decrease 1%
Discount rate	-620	778	-531	662
Percentage of annual salary increases	699	-586	590	-494

Sensitivity analysis for the most important assumptions on 31/12/2017:

Effect on current service cost	GROUP		COMPANY	
	increase 1%	decrease 1%	increase 1%	decrease 1%
Discount rate	-70	92	-39	52
Percentage of annual salary increases	87	-72	48	-39

Effect on present value of liability	GROUP		COMPANY	
	increase 1%	decrease 1%	increase 1%	decrease 1%
Discount rate	-627	784	-545	677
Percentage of annual salary increases	737	-615	634	-530

Analysis of Actuarial (gains) / losses in other comprehensive income (before deferred tax):

	31/12/2018		31/12/2017	
	GROUP	COMPANY	GROUP	COMPANY
Change in economic assumptions	96	58	234	257
Change in demographic assumptions	0	0	6	0
Change due to experience and other assumptions change	-135	-151	-90	-110
Actuarial (gains) / losses in other comprehensive income (before deferred tax)	**-39**	**-93**	**150**	**147**

2.27 SHARED BASED BENEFITS

The Group had no active option plan during 2018.

2.28 OTHER LONG TERM LIABILITIES

	GROUP		COMPANY	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Guarantees	10	10	0	0
Amounts due to related entities and other related parties (note 2.31.E)	0	0	0	0
Deferred Income	1.575	0	273	0
Other liabilities	671	1.059	0	0
Total	**2.256**	**1.069**	**273**	**0**

2.29 TRADE AND OTHER CURRENT LIABILITES

	GROUP		COMPANY	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Creditors	43.168	50.135	13.138	14.628
Amounts due to related parties (Note 2.31.E)	10.480	22.639	29.370	37.662
Winnings payable	1.784	3.659	0	0
Other creditors	26.926	42.796	2.375	6.497
Deferred Income	1.041	560	151	0
Accrued expenses for the period	3.324	3.503	580	1.524
Taxes	10.054	13.549	-338	1.598
Dividends payable	3	3	0	1
Total	**96.780**	**136.844**	**45.276**	**61.910**

The maturity of short-term and long-term liabilities is as follows:

PAYABLES	GROUP		COMPANY	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Creditors	43.168	50.135	13.138	14.628
Payable to related parties (note 2.31.E)	10.480	22.639	29.370	37.662
Other payables	45.388	65.139	3.041	9.620
Total	**99.036**	**137.913**	**45.549**	**61.910**
MATURITY INFORMATION				
0-3 months	59.055	76.414	17.763	18.106
3-12 months	37.725	60.430	27.513	43.804
More than 1 year	2.256	1.069	273	0
Total	**99.036**	**137.913**	**45.549**	**61.910**

2.30 FINANCIAL ASSETS AND LIABILITIES

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

31/12/2018		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**
Trade receivables	82.275	0	0	**82.275**
Provisions for doubtful receivables	-12.420	0	0	**-12.420**
Receivables from related parties	22.495	0	0	**22.495**
Provisions for doubtful receivables	-6.736	0	0	**-6.736**
Pledged bank deposits	389	0	0	**389**
Tax receivables	18.682	0	0	**18.682**
Prepaid expenses and other receivable	41.906	0	0	**41.906**
Provisions for doubtful receivables	-3.895	0	0	**-3.895**
Other quoted financial assets	472	298	0	**770**
Other unquoted financial assets	165	15.744	0	**15.909**
Total	**143.333**	**16.042**	**0**	**159.375**
Long term	8.832	16.042	0	**24.874**
Short term	134.501	0	0	**134.501**
Total	**143.333**	**16.042**	**0**	**159.375**

31/12/2017		GROUP	
Financial assets:	**Debt instruments at amortized cost**	**Equity instruments at fair value through other comprehensive income**	**Total**
Trade receivables	92.263	0	**92.263**
Provisions for doubtful receivables	-7.601	0	**-7.601**
Receivables from related parties	21.703	0	**21.703**
Provisions for doubtful receivables	-4.348	0	**-4.348**
Pledged bank deposits	390	0	**390**
Tax receivables	21.875	0	**21.875**
Prepaid expenses and other receivable	38.976	0	**38.976**
Provisions for doubtful receivables	-1.168	0	**-1.168**
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**

31/12/2018 Financial liabilities	GROUP 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	43.168	0	0	**43.168**
Payables to related parties	10.480	0	0	**10.480**
Other liabilities	45.388	0	0	**45.388**
Borrowing and finance lease	777.749	0	0	**777.749**
Total	**876.785**	**0**	**0**	**876.785**
Long term	739.350	0	0	**739.350**
Short term	137.435	0	0	**137.435**
Total	**876.785**	**0**	**0**	**876.785**

31/12/2017 Financial liabilities	GROUP 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:

31/12/2018	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	40.129	0	0	**40.129**
Provisions for doubtful receivables	-6.734	0	0	**-6.734**
Receivables from related parties	92.893	0	0	**92.893**
Provisions for doubtful receivables	-34.696	0	0	**-34.696**
Pledged bank deposits	159	0	0	**159**
Tax receivables	6.232	0	0	**6.232**
Prepaid expenses and other receivable	13.701	0	0	**13.701**
Provisions for doubtful receivables	-1.168	0	0	**-1.168**
Other quoted financial assets	0	30	0	**30**
Other unquoted financial assets	0	1.183	0	**1.183**
Total	**110.516**	**1.213**	**0**	**111.729**
Long term	146	1.213	0	**1.359**
Short term	110.370	0	0	**110.370**
Total	**110.516**	**1.213**	**0**	**111.729**

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**
Provisions for doubtful receivables	-4.736	0	**-4.736**
Receivables from related parties	88.757	0	**88.757**
Provisions for doubtful receivables	-43.175	0	**-43.175**
Pledged bank deposits	159	0	**159**
Tax receivables	13.001	0	**13.001**
Prepaid expenses and other receivable	11.452	0	**11.452**
Provisions for doubtful receivables	-1.168	0	**-1.168**
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**

31/12/2018	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	13.138	0	0	**13.138**
Payables to related parties	29.370	0	0	**29.370**
Other liabilities	3.041	0	0	**3.041**
Borrowing and finance lease	286.380	0	0	**286.380**
Total	**331.929**	**0**	**0**	**331.929**
Long term	286.653	0	0	**286.653**
Short term	45.276	0	0	**45.276**
Total	**331.929**	**0**	**0**	**331.929**

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 31 December 2018 and 31 December 2017:

GROUP	Carrying Amount		Fair Value	
Financial Assets	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**
Other long-term financial assets - classified as "equity instruments at fair value through other comprehensive income "	16.042	21.524	16.042	21.524
Other long-term receivables	8.832	16.515	8.832	16.515
Trade and other short-term receivables	133.864	145.575	133.864	145.575
Other short-term financial assets classified as "debt instruments at amortized cost"	637	914	634	871
Short-term derivative financial assets at fair value through other comprehensive income	0	0	0	0
Cash and cash equivalents	162.461	238.041	162.461	238.041
Total	**321.836**	**422.569**	**321.833**	**422.526**
Financial Liabilities				
Long-term loans	735.297	727.988	511.163	766.794
Other long-term liabilities	2.256	1.069	2.256	1.069
Liabilities from finance leases	1.797	1.389	1.797	1.389
Trade and other short term payables	96.780	136.844	96.780	136.844
Short-term loans and finance lease	40.655	19.345	37.092	20.030
Total	**876.785**	**886.635**	**649.088**	**926.126**

COMPANY	Carrying Amount		Fair Value	
Financial Assets	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**
Other long-term financial assets - classified as "equity instruments at fair value through other comprehensive income "	1.213	1.243	1.213	1.243
Other long-term receivables	146	142	146	142
Trade and other short-term receivables	110.370	105.917	110.370	105.917
Short-term derivative financial assets at fair value through other comprehensive income	0	0	0	0
Cash and cash equivalents	33.146	20.434	33.146	20.434
Total	**144.875**	**127.736**	**144.875**	**127.736**
Financial Liabilities				
Long-term loans	286.380	232.179	286.380	232.179
Other long-term liabilities	273	0	273	0
Trade and other short term payables	45.276	61.910	45.276	61.910
Total	**331.929**	**294.089**	**331.929**	**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 31/12/2018 the following assets and liabilities measured at fair value:

GROUP	Fair Value 31/12/2018	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"	**16.042**	**297**	**0**	**15.744**
- Quoted securities	*298*	*298*	*0*	*0*
- Unquoted securities	*15.744*	*0*	*0*	*15.744*
Other financial assets classified as "debt instruments at amortized cost"	**637**	**0**	**0**	**637**
- Quoted securities	*472*	*0*	*0*	*472*
- Unquoted securities	*165*	*0*	*0*	*165*
Derivative financial instruments	**0**	**0**	**0**	**0**
Financial liabilities measured at fair value				
Derivative financial instruments	**0**	**0**	**0**	**0**

COMPANY	Fair Value 31/12/2018	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"	**1.213**	**30**	**0**	**1.183**
- Quoted securities	*30*	*30*	*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	**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 shares	GROUP	COMPANY
Balance 1/1/2017	**19.961**	**1.459**
Period purchases	1.300	0
Disposals	-14	0
Fair value adjustment	-382	-276
Exchange differences	-13	0
Subsidiary disposal	-14	0
Balance 31/12/2017	**20.838**	**1.183**
Additions	175	0
Fair value adjustment	2.437	0
Exchange of stocks with software	-4.400	0
Return of capital	-3.130	0
Exchange differences	-11	0
Balance 31/12/2018	**15.909**	**1.183**

Quoted shares	GROUP	COMPANY
Balance 1/1/2017	**0**	**0**
Period purchases	960	0
Fair value adjustment	49	0
Exchange differences	-95	0
Balance 31/12/2017	**914**	**0**
Fair value adjustment	90	0
Additions	497	0
Disposals	-815	0
Exchange differences	-214	0
Balance 31/12/2018	**472**	**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 the forecast 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) 31/12/2018	31/12/2017
DCF	Sales growth rate	0.0% - 0.0% (0.0%)	0.0% - 6.0% (1.1%)
	Growth rate beyond budgets period	0.0% - 0.0% (0.0%)	0.0% - 1.0% (0.9%)
	Discount rates (WACC)	10.4% - 10.4% (10.4%)	5.8% - 15.4% (14.9%)

Sensitivity analysis of recoverable amounts:

On 31/12/2018, 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.

2.31 SUPPLEMENTARY INFORMATION

A. BUSINESS COMBINATION AND METHOD OF CONSOLIDATON

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%
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%
35.	INTRALOT BENELUX 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%

I. Full consolidation		Domicile	Nature of business	% Direct Part'n	% Indirect Part'n	% Total Part'n
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		99,27%	99,27%
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%
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.	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%

I. Full consolidation		Domicile	Nature of business	% Direct Part'n	% Indirect Part'n	% Total Part'n
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 LTD1	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%
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. [4]	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%

II. Equity method		Domicile	Nature of business	% Direct Part'n	% Indirect Part'n	% Total Part'n
31.	JOLLY VIDEOGIOCHI S.R.L.	Rome, Italy	Licensed operations		14%	14%
34.	ROSILSPORT S.R.L.	Milan, Italy	Technology and support services		10,50%	10,50%
31.	NEW MATIC S.R.L.	Rome, Italy	Licensed operations		10,20%	10,20%
31.	AGESOFT S.R.L.	Rome, Italy	Technology and support services		12%	12%
31.	GOLDBET S.p.A. [5]	Rome, Italy	Licensed operations		20%	20%
5.	KARENIA ENTERPRISES COMPANY LTD	Nicosia, Cyprus	Holding company		50%	50%
	INTRALOT DE PERU SAC	Lima, Peru	Licensed operations	20%		20%

Subsidiary of:			
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	35: Intralot Nederland BV
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 100% owned subsidiary, Intralot Finance Luxembourg S.A., while in November 2018 the subsidiary Eurofootball Ltd absorbed its 100% subsidiary Eurofootball Print Ltd.
[2] The Group consolidated on 31/12/2018 the Gamenet Group S.p.A. using the equity method and the financial statements for the period 1/10/2017-30/9/2018 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 1/1/2018 the associate company Gamenet S.p.A. (20%) absorbed its 100% subsidiary Gamenet Scommesse S.p.A.
[4] On 24/7/2018, with accounting and taxation implementation as of 1/1/2018, the associate company La Chance S.R.L. (12%) absorbed its 100% subsidiary Slot Planet S.R.L.
[5] The Gamenet Group S.p.A. first consolidated GoldBet S.p.A. on 1/10/2018 after the completion of the acquisition. The Group will consolidate it for the first time in the financial statements of the first quarter of 2019 in accordance with IAS 28 par. 34.

The standalone annual financial statements of the most important subsidiaries of the Group (not listed on a stock exchange) are posted on the INTRALOT website (www.intralot.com) pursuant to article 1 of the Board of Directors' decision 8/754 / 14.04.2016 of the Hellenic Capital Market Commission.

The entities Nafirol S.A., Loteria Moldovei S.A., Lebanese Games S.A.L., Poldin Ltd, Loterias y Apuestas De Guatemala S.A., Gameway Ltd, Intralot Slovakia S.R.O. and Gain Advance Group LTD are under liquidation process.

On 31/12/2018, 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 2018 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 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, that operates a retail network of 990 betting shops rights and holds the concession to collect online games and bets, including via mobile platforms. On October 9, 2018, announced that completed the acquisition GoldBet, (which, on the same day, was transformed into GoldBet S.p.A.).

GoldBet ended 2017 with EBITDA of €41 million, EBIT €35 million, Net Income of €23 million and generated an EBITDA for the period of 12 months ended June 30, 2018 of €54 million. The purchase price of the acquisition was equal to approximately €273 million. Of this amount, approximately €242 million, net of certain costs incurred by the seller, was paid in cash on the closing date, with the remaining €31 million to be paid subsequently, as a deferred price component over a medium term period, subject to the fulfillment of certain conditions provided for in the acquisition agreement. The acquisition will allow Gamenet group to assume a leading position in Italy in the multi-concession gaming sector, in particular in the sports betting sector, and to significantly increase the ceodegree of diversification of its product portfolio and profitability, at EBITDA, EBIT and net profit levels. The Closing was subject to the occurrence of the usual conditions precedent for this type of transaction, including the prior approval of the Italian Competition Authority, which was received on September 17, 2018 and the authorization of the Customs and Monopolies Agency, which was received on August 2, 2018.

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

On September 2018 the Group established the subsidiary Intralot Benelux B.V. (100%).

V. Changes in ownership percentage

On August 2018 the Group increased its participation rate in subsidiary Totolotek S.A. from 96,13% to 99,27% through increase in share capital paid by its subsidiary Pollot Sp.Zoo.

VI. Subsidiaries’ Share Capital Increase

During 2018 the Group completed a share capital increase through payment in cash in Netman SRL amounting €154 thousand, in Totolotek amounting €15 million and in Intralot Inc amounting €33,9 million.

VII. Strike off - Disposal of Group Companies

The Group completed the liquidation and strike off, of the associate Veneta Servizi S.R.L. on December 2017 and of the subsiadiaries Intralot Latin America Inc (May 2018), Intralot Dominicana S.A. (June 2018), Intralot Guatemala S.A. (January 2019), Gaming Solutions International Ltda (January 2019), Intralot Hong Kong Holdings Ltd (March 2019) and Atropos S.A. (March 2019).

On March 26, 2019 INTRALOT Group announced that it has reached an agreement with Merkur Sportwetten GmbH, a subsidiary of the Gauselmann Group based in Espelkamp, Germany to take over the renowned sports betting company Totolotek SA – an INTRALOT subsidiary in Poland. The share purchase agreement has already been concluded and both parties are now awaiting merger clearance. With this acquisition, the German company will enter the Polish market and thus expand its presence in Europe. Soon Polish sports betting fans will be able to place their bets under the sign of the well-known MERKUR sun: Merkur Sportwetten GmbH. Totolotek has been firmly established in the Polish sports betting market for over 27 years and is one of the top three omnichannel betting companies in Poland. It markets its wide range of sports betting products through stationary trade at over 260 distribution points as well as online via its website and mobile app. Totolotek currently has 560 employees. Totolotek, contributed on a continuing operations basis about €-1,2 million of EBITDA, as well as €86,5 million of Sale Proceeds for 2018. The basic consideration of the transaction amounts to €5,0 million, which is expected to increase by €3,0 million if existing on-line licenses are renewed within 2019, and may further increase by up to €2,0 million in case of implementation of specific terms and conditions within a period of two years.

VIII. Discontinued Operations

A) Azerbaijan

The management of the subsidiary Inteltek Internet AS (45%), parent of Azerinteltek AS, decided in mid-February 2018 to investigate the possibility of selling its 51% stake in

Azerinteltek AS. At the end of October 2018, Inteltek Internet AS's management decided to sell 51% of Azerinteltek AS shares (nominal value AZN51.000) to Baltech Investment LLC, which owns 24,5% of Azerinteltek AS's share capital. On 15/11/2018 the final Share Purchase Agreement (SPA) was signed for a total consideration of approximately €19,5 million. The transfer of these shares was completed at the end of 2018. The aforementioned subsidiary is presented in the geographic operating segment "Other Countries" (Note 2.2). As of 31/12/2018, the Group's above activities in Azerbaijan were classified as discontinued operations.

Below are presented the results of discontinued operations of the Group in Azerbaijan for the period 1/1-31/12/2018 (in 2018 it was consolidated with the full consolidation method until 31/12/2018), as well as the corresponding period of 2017:

	1/1-31/12/2018	1/1-31/12/2017
Sale proceeds	163.555	153.316
Expenses	-139.366	-133.487
Other operating income	488	461
Other operating expenses	0	0
EBIT	**24.677**	**20.290**
EBITDA	**25.007**	**20.421**
Income / (expense) from participations and investments	0	0
Gain/(loss) from assets disposal, impairment loss and write-off of assets	0	261
Interest and similar expenses	-41	-68
Interest and similar income	221	252
Exchange Differences	133	-137
Profit/(loss) before tax	**24.990**	**20.598**
Income tax	-9.889	-9.345
	15.101	**11.253**
Gain/(loss) from disposal of discontinued operations	27.291	0
Relevant taxes	0	0
Gain/(loss) after taxes from discontinued operations	**42.392**	**11.253**
Attributable to:		
Equity holders of the parent Company	32.924	5.175
Non-controlling interest	9.468	6.078

Below are presented the net cash flows of the discontinued operations of the Group in Azerbaijan for the period 1/10-31/12/2018 (in 2018 it was consolidated with the full consolidation method until 31/12/2018), as well as the corresponding period of 2017:

	1/10-31/12/2018	1/10-31/12/2017
Sale proceeds	42.222	43.453
Expenses	-35.005	-37.310
Other operating income	391	-18
Other operating expenses	0	0
EBIT	**7.608**	**6.125**
EBITDA	**7.693**	**6.160**
Income / (expense) from participations and investments	0	0
Gain/(loss) from assets disposal, impairment loss and write-off of assets	-24	0
Interest and similar expenses	-11	-16
Interest and similar income	71	67
Exchange Differences	70	-2

Profit/(loss) before tax	**7.714**	**6.174**
Income tax	-2.547	-2.672
	5.167	**3.502**
Gain/(loss) from disposal of discontinued operations	27.291	0
Relevant taxes	0	0
Gain/(loss) after taxes from discontinued operations	**32.458**	**3.502**
Attributable to:		
Equity holders of the parent Company	29.023	1.331
Non-controlling interest	3.435	2.171

The consideration price of Azerinteltek AS amounted to €19.530 thousand and was repaid in December 2018. The net assets held for sale (including non-controlling interests and foreign exchange reserves) of Azerinteltek AS amounted on 31/12/2018 to €-9.088 thousand, forming the gross profits from the sale of discontinued operations to €28.618 thousand. By subtracting foreign exchange differences that have been reclassified from the foreign exchange reserve in the Group's income statement, earnings from the disposal of discontinued operations amounted to €27.291 thousand, which are presented in the Group's Income Statement (line "Profit / (loss) after tax from discontinued operations").

The net cash inflow of the Group during the transfer of the discontinued operations in Azerbaijan amounted to €9.416 thousand, consisting of the consideration price and the derecognition of Azerinteltek AS's cash equivalents.

Below are presented the net cash flows of the discontinued operations Azerinteltek AS:

	1/1-31/12/2018	**1/1-31/12/2017**
Operating activities	14.277	10.692
Investing activities	-10.083	-218
Financing activities	-4.719	-3.083
Effect from exchange differences	429	-680
Net increase / (decrease) in cash and cash equivalents for the period	**-96**	**6.711**

B) 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	-11.622
Relevant tax	0
Profit/(loss) after tax from discontinued operations	**-11.868**

The final consideration price of the sale of Favorit Bookmakers Office OOO amounted to €3.487 thousand. The net assets of Favorit Bookmakers Office OOO amounted to €584 thousand at the sale forming the gross profits from the sale of discontinued operations at €2.903 thousand. Subtracting the exchange differences that were reclassified from the foreign exchange reserve in the Group's income statement, the net loss from the sale of the discontinued operations amounted to €11,622 thousand, which are presented in the Group's Income Statement (line "Profit / (loss) after tax from discontinued operations").

The Group's net cash inflow from the transfer of the discontinued operations in Russia (Favorit Bookmakers Office OOO) amounted to €2.901 thousand, consisting of the consideration price and the derecognition of the cash equivalents of Favorit Bookmakers Office.

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
Effect from exchange differences	-11
Net increase / (decrease) in cash and cash equivalents for the period	**-629**

C) 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 1/1-2/10/2017 (in 2017 they were consolidated with the full consolidation method until 2/10/2017):

	1/1-2/10/2017
Sale proceeds	287.602
Expenses	-274.836
Other operating income	0
Other operating expenses	-61
EBIT	**12.705**
EBITDA	**14.169**
Income/expenses of participations and investments	26
Gain/(loss) from assets disposal, impairment loss and write-off of assets	-85
Interest and similar expenses	-567
Interest and similar income	498
Exchange Differences	17
Profit/(loss) before tax	**12.594**
Income tax	-3.107
	9.487
Gain/(loss) from disposal of discontinued operations	15.741
Relevant taxes	0
Gain/(loss) after taxes from discontinued operations	**25.228**
Attributable to:	
Equity holders of the parent Company	18.283
Non-controlling interest	6.945

The consideration price of Intralot Caribbean Ventures Ltd amounted to €35.244 thousand and was paid in October 2017. The net assets held for sale by the Group Intralot Caribbean Ventures Ltd (including subsidiary Supreme Ventures Ltd) amounted on 2/10/2017 to €17.272 thousand, forming the gross profits from the disposal of discontinued operations to €17.972 thousand. Subtracting the selling expenses, the corresponding taxes and the exchange differences that were reclassified from the foreign exchange reserve to the income statement of the Group the net profits from the disposal of discontinued operations amounted to €15.741 thousand, which are presented in the Group's Income Statement (line "Profit / (loss) after tax from discontinued operations").

The net cash inflow of the Group during the transfer of the discontinued operations in Jamaica and Santa Lucia (Supreme Ventures Ltd and Intralot Caribbean Ventures Ltd) amounted to €19.461 thousand, consisting of the consideration price, the de-recognition of the cash and cash equivalents of the Group Intralot Caribbean Ventures Ltd.

Below are the net cashflow results of the discontinued operations of the Group in Jamaica and Santa Lucia (Supreme Ventures Ltd and Intralot Caribbean Ventures Ltd):

	1/1-2/10/2017
Operating activities	14.055
Investing activities	-20.995

Financing activities	-6
Effect from exchange differences	-1.745
Net increase / (decrease) in cash and cash equivalents for the period	**-8.691**

D) 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 1/1-18/12/2017 (in 2017 they were consolidated with the full consolidation method until 18/12/2017):

	1/1-18/12/2017
Sale proceeds	4.362
Expenses	-4.584
Other operating income	22
Other operating expenses	-140
EBIT	**-340**
EBITDA	**-173**
Gain/(loss) from assets disposal, impairment loss and write-off of assets	0
Interest and similar expenses	-7
Interest and similar income	0
Exchange Differences	0
Profit/(loss) before tax	**-347**
Income tax	-19
	-366
Gain/(loss) from disposal of discontinued operations	-1.024
Relevant taxes	0
Gain/(loss) after taxes from discontinued operations	**-1.390**
Attributable to:	
Equity holders of the parent Company	-1.157
Non-controlling interest	-233

Below are the results of the discontinued operations of the Group in Slovakia (Slovenske Loterie AS) for the period 1/10-18/12/2017 (in 2017 they were consolidated with the full consolidation method until 18/12/2017):

	1/10-18/12/2017
Sale proceeds	874
Expenses	-1.063
Other operating income	1
Other operating expenses	-130
EBIT	**-318**
EBITDA	**-271**
Gain/(loss) from assets disposal, impairment loss and write-off of assets	0
Interest and similar expenses	-1

Interest and similar income	0
Exchange Differences	0
Profit/(loss) before tax	**-319**
Income tax	-19
	-338
Gain/(loss) from disposal of discontinued operations	-1.024
Relevant taxes	0
Gain/(loss) after taxes from discontinued operations	**-1.362**
Attributable to:	
Equity holders of the parent Company	-1.186
Non-controlling interest	-176

The consideration price of Slovenske Loterie AS amounted to €1.749 thousand and was paid in December 2017. The net assets held for sale of Slovenske Loterie AS amounted on 18/12/2017 to €2.927 thousand, forming the gross losses from the disposal of discontinued operations to €1.178 thousand. Subtracting the disposal expenses, the corresponding taxes and the exchange differences that were reclassified from the foreign exchange reserve to the income statement of the Group, the net losses from the disposal of discontinued operations amounted to €1.024 thousand, which are presented in the Group's Income Statement (line "Profit / (loss) after tax from discontinued operations").

The net cash inflow of the Group during the transfer of the discontinued operations in Slovakia (Slovenske Loterie AS) amounted to €986 thousand, consisting of the consideration price, the derecognition of the cash and cash equivalents of Slovenske Loterie AS.

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

	1/1-18/12/2017
Operating activities	-1.018
Investing activities	-762
Financing activities	-29
Net increase / (decrease) in cash and cash equivalents for the period	**-1.809**

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

Earnings / (loss) after tax per share (€) from discontinued operations	**1/1-31/12/2018**	**1/1-31/12/2017**
- basic	0,2162	0,0663
- diluted	0,2162	0,0663
Weighted Average number of shares	152.317.558	157.352.417

IX.Companies merge

On March 2018, the subsidiary Intralot Capital Luxembourg S.A. absorbed its 100% owned subsidiary, Intralot Finance Luxembourg S.A., while in November 2018 the subsidiary Eurofootball Ltd absorbed its 100% subsidiary Eurofootball Print Ltd.

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

On 24/7/2018 with accounting and taxation implementation as of 1/1/2018, the associate company La Chance S.R.L. (12%) absorbed its 100% subsidiary Slot Planet S.R.L..
On 30/1/2019, with accounting and taxation application as of 1/1/2019, the associate company Intralot Italia S.p.A. (20%) absorbed the associate company GoldBet S.p.A., which since October 2018 is 100% a subsidiary of the associate company Gamenet S.p.A. (20%).

X.Material partly-owned subsidiaries

Provided below is financial information regarding subsidiaries which have significant non-controlling interests:

Proportion of equity interest held by non-controlling interests:				
Subsidiary Name	Country of incorporation and operation	Geographic operating segment	31/12/2018	31/12/2017
Inteltek Internet AS	Turkey	Other countries	55%	55%
Bilyoner Interaktif Hizmelter AS	Turkey	Other countries	49,99%	49,99%
Azerinteltek AS [1]	Azerbaijan	Other countries	77,05%	77,05%
Lotrom SA	Romania	European Union	40%	40%
Eurofootball LTD	Bulgaria	European Union	51%	51%
Eurobet LTD	Bulgaria	European Union	51%	51%
Tecno Accion SA	Argentina	America	49,99%	49,99%
Tecno Accion Salta SA	Argentina	America	49,99%	49,99%

[1] Azerinteltek AS was consolidated until 31/12/2018 due to its disposal

Accumulated balances of material non-controlling interests per subsidiary:

	31/12/2018	31/12/2017
Inteltek Internet AS	17.291	5.623
Bilyoner Interaktif Hizmelter AS	4.747	7.053
Azerinteltek AS [1]	0	8.016
Lotrom SA	4.854	4.890
Eurofootball LTD	3.351	8.004
Eurobet LTD	667	1.802
Tecno Accion SA	3.027	3.773
Tecno Accion Salta SA	181	674

[1] Azerinteltek AS was consolidated until 31/12/2018 due to its disposal

Profit allocated to material non-controlling interests per subsidiary:

	1/1-31/12/2018	1/1-31/12/2017
Inteltek Internet AS	22.508	10.655
Bilyoner Interaktif Hizmelter AS	5.613	6.549
Azerinteltek AS	9.468	6.079
Lotrom SA	-31	-40
Eurofootball LTD	10.574	11.511
Eurobet LTD	2.527	2.513
Tecno Accion SA	1.213	3.660
Tecno Accion Salta SA	527	883
Supreme Ventures Limited	0	6.944

Below are presented the standalone condensed financial statements per geographical operating area pursuant to IFRS. This information is based in amounts before elimination entries:

Condensed statement of profit or loss for the period 1/1-31/12/2018:			
European Union	Lotrom SA	Eurofootball Ltd	Eurobet Ltd
Sales Proceeds	0	266.672	58.891

Gross Profit/ (loss)	0	26.460	7.861
EBITDA	-75	20.863	5.203
Profit / (loss) before tax	-79	20.733	4.955
Tax	2	0	0
Profit / (loss) after tax	**-77**	**20.733**	**4.955**
Other comprehensive income after tax	-13	-20	0
Total comprehensive income after tax	**-90**	**20.713**	**4.955**
Attributable to non-controlling interest	-36	10.563	2.527
Dividends paid to non-controlling interest	0	10.672	2.295

America	**Tecno Accion SA**	**Tecno Accion Salta SA**
Sales Proceeds	17.751	42.235
Gross Profit/ (loss)	8.392	2.606
EBITDA	6.865	1.885
Profit / (loss) before tax	4.443	1.582
Tax	-2.016	-529
Profit / (loss) after tax	**2.427**	**1.053**
Other comprehensive income after tax	-1.744	-253
Total comprehensive income after tax	**683**	**800**
Attributable to non-controlling interest	342	400
Dividends paid to non-controlling interest	1.593	672

Other Countries	**Inteltek Internet AS**	**Azerinteltek AS**	**Bilyoner AS**
Sales Proceeds	35.184	163.555	26.009
Gross Profit/ (loss)	21.859	26.503	22.253
EBITDA	17.304	22.768	13.042
Profit / (loss) before tax	50.714	22.177	14.197
Tax	-5.290	-9.889	-2.972
Profit / (loss) after tax	**45.424**	**12.288**	**11.225**
Other comprehensive income after tax	-5.503	223	-2.007
Total comprehensive income after tax	**39.921**	**12.511**	**9.218**
Attributable to non-controlling interest	19.482	9.640	4.608
Dividends paid to non-controlling interest	9.436	4.678	6.174

Condensed statement of profit or loss for the period 1/1-31/12/2017:

European Union	**Lotrom SA**	**Eurofootball Ltd**	**Eurobet Ltd**
Sales Proceeds	0	251.930	60.241
Gross Profit/ (loss)	0	27.484	8.485
EBITDA	-63	22.653	5.619
Profit / (loss) before tax	-99	22.570	4.928
Tax	-2	0	0
Profit / (loss) after tax	**-101**	**22.570**	**4.928**
Other comprehensive income after tax	-323	-7	1
Total comprehensive income after tax	**-424**	**22.563**	**4.929**
Attributable to non-controlling interest	-169	11.507	2.514
Dividends paid to non-controlling interest	0	11.063	2.603

America	**Tecno Accion SA**	**Tecno Accion Salta SA**	**Supreme Ventures Ltd** [1]
Sales Proceeds	28.014	64.801	287.602
Gross Profit/ (loss)	15.669	3.629	26.365
EBITDA	12.365	2.681	14.030
Profit / (loss) before tax	11.346	2.719	12.363
Tax	-4.024	-952	-3.108
Profit / (loss) after tax	**7.322**	**1.767**	**9.255**
Other comprehensive income after tax	-1.600	-352	-3.498

Total comprehensive income after tax	**5.722**	**1.415**	**5.757**
Attributable to non-controlling interest	2.860	708	4.320
Dividends paid to non-controlling interest	2.319	0	3.581

[1] The figures of Supreme Ventures Ltd refer to period from 1/1-2/10/2017

Other Countries	Inteltek Internet AS	Azerinteltek AS	Bilyoner AS
Sales Proceeds	44.141	153.316	47.872
Gross Profit/ (loss)	26.364	21.152	43.950
EBITDA	22.668	17.940	15.815
Profit / (loss) before tax	27.025	17.234	16.440
Tax	-4.530	-9.346	-3.342
Profit / (loss) after tax	**22.495**	**7.888**	**13.098**
Other comprehensive income after tax	-4.873	-148	-2.236
Total comprehensive income after tax	**17.622**	**7.740**	**10.862**
Attributable to non-controlling interest	7.975	5.965	5.430
Dividends paid to non-controlling interest	10.026	3.015	4.231

Condensed statement of financial position as at 31/12/2018:

European Union	Lotrom SA	Eurofootball Ltd	Eurobet Ltd
Non-current assets	5	2.093	2.826
Current assets	15.662	24.798	1.626
Non-current liabilities	0	-138	-864
Current liabilities	-3.531	-1.720	-2.280
Total equity	**12.136**	**25.033**	**1.308**
Attributable to:			
Shareholders of the parent company	7.282	12.266	641
Non-controlling interests	4.854	12.767	667

America	Tecno Accion SA	Tecno Accion Salta SA
Non-current assets	4.591	378
Current assets	5.489	1.697
Non-current liabilities	-749	-32
Current liabilities	-3.572	-1.385
Total equity	**5.759**	**658**
Attributable to:		
Equity holders of parent	2.880	329
Non-controlling interests	2.879	329

Other Countries	Inteltek Internet AS	Bilyoner AS
Non-current assets	1.493	1.504
Current assets	66.585	13.091
Non-current liabilities	-851	-196
Current liabilities	-18.994	-4.906
Total equity	**48.233**	**9.493**
Attributable to:		
Equity holders of parent	21.705	4.747
Non-controlling interests	26.528	4.746

Condensed statement of financial position as at 31/12/2017:

European Union	Lotrom SA	Eurofootball Ltd	Eurobet Ltd
Non-current assets	7	12.239	6.389
Current assets	15.711	25.621	1.284
Non-current liabilities	-2	-105	-1.120
Current liabilities	-3.491	-1.982	-3.019
Total equity	**12.225**	**35.773**	**3.534**
Attributable to:			
Shareholders of the parent company	7.335	17.529	1.731
Non-controlling interests	4.890	18.244	1.803

America	Tecno Accion SA	Tecno Accion Salta SA
Non-current assets	5.419	192
Current assets	7.685	3.585
Non-current liabilities	-263	-75
Current liabilities	-5.590	-2.059
Total equity	**7.251**	**1.643**
Attributable to:		
Equity holders of parent	3.626	822
Non-controlling interests	3.625	821

Other Countries	Inteltek Internet AS	Azerinteltek AS	Bilyoner AS
Non-current assets	2.043	3.240	1.496
Current assets	49.076	8.829	23.827
Non-current liabilities	-1.040	0	-108
Current liabilities	-27.560	-9.098	-11.110
Total equity	**22.519**	**2.971**	**14.105**
Attributable to:			
Equity holders of parent	10.134	682	7.054
Non-controlling interests	12.385	2.289	7.051

Condensed cash flow information for the year ending 31/12/2018:

European Union	Lotrom SA	Eurofootball Ltd	Eurobet Ltd
Operating activities	0	21.118	5.523
Investing activities	0	-137	-229
Financing activities	0	-20.655	-5.158
Net increase / (decrease) in cash and cash equivalents	**0**	**326**	**136**

America	Tecno Accion SA	Tecno Accion Salta SA
Operating activities	3.572	1.414
Investing activities	-571	-253
Financing activities	-3.314	-1.400
Effect of exchange differences	-701	-1.031
Net increase / (decrease) in cash and cash equivalents	**-1.014**	**-1.270**

Other Countries	Inteltek Internet AS	Azerinteltek AS	Bilyoner AS
Operating activities	10.460	11.883	3.582
Investing activities	27.306	-147	391
Financing activities	-16.477	-9.587	-11.650
Effect of exchange differences	-3.375	429	-3.822
Net increase / (decrease) in cash and cash equivalents	**17.914**	**2.578**	**-11.499**

Condensed cash flow information for the year ending 31/12/2017:

European Union	Lotrom SA	Eurofootball Ltd	Eurobet Ltd
Operating activities	0	22.453	5.892
Investing activities	0	-26	-224
Financing activities	0	-21.420	-5.786
Net increase / (decrease) in cash and cash equivalents	**0**	**1.007**	**-118**

America	Tecno Accion SA	Tecno Accion Salta SA	Supreme Ventures Ltd [1]
Operating activities	6.706	1.493	14.320
Investing activities	-1.416	75	-5.212
Financing activities	-5.490	-898	-2.574
Effect of exchange differences	-602	-669	-1.745
Net increase / (decrease) in cash and cash equivalents	**-802**	**1**	**4.789**

[1] The figures of Supreme Ventures Ltd refer to period from 1/1-2/10/2017

Other Countries	Inteltek Internet AS	Azerinteltek AS	Bilyoner AS
Operating activities	17.269	8.173	17.634
Investing activities	4.633	-291	125
Financing activities	-17.505	-6.189	-7.792
Effect of exchange differences	-7.478	-681	-3.020
Net increase / (decrease) in cash and cash equivalents	**-3.081**	**1.012**	**6.947**

XI. Investments in companies consolidated with the equity method

i) Investment in associates

The Group has significant influence over the below associates. The Group consolidates these associate companies with the equity consolidation method. The following table illustrates the summarized financial information of the Group's investment in associates:

Participation percentage of the Group in the associate companies:			
Associate name	**Country of domicile and activity**	**31/12/2018**	**31/12/2017**
Lotrich Information Co LTD	Taiwan	40%	40%
Intralot South Africa LTD[2]	South Africa	45%	45%
Gamenet Group S.p.A.	Italy	20%	20%
Intralot De Peru S.A.C.	Peru	20%	20%
Bit8 LTD Group [1]	Malta	-	-
Goreward LTD Group	China	38,84%	38,84%

[1] The group Bit8 Ltd was consolidated with the equity method until 30/11/2017.
[2] Intralot South Africa Ltd figures are not significant for the Group.

Condensed statement of financial position as at 31/12/2018:	Lotrich Information Co LTD	Gamenet Group S.p.A.[1]	Intralot De Peru S.A.C.	Goreward LTD Group
Non-current assets	208	251.846	18.711	69.836
Current assets	28.846	384.490	20.960	12.114
Non-current liabilities	0	-471.782	-71	-29
Current liabilities	-14.000	-127.286	-25.655	-10.004
Total equity	**15.054**	**37.268**	**13.945**	**71.917**
Group's carrying amount of the investment	**5.836**	**77.652**	**15.635**	**27.332**

[1] The Group consolidated on 31/12/2018 the Group Gamenet Group S.p.A. with the equity method using the financial statements for the period 1/10/2017-30/9/2018 pursuant to IAS 28 para. 34.

Condensed statement of financial position as at 31/12/2017:	Lotrich Information Co LTD	Gamenet Group S.p.A.[1]	Intralot De Peru S.A.C.	Goreward LTD Group
Non-current assets	339	249.762	16.261	110.527
Current assets	17.434	145.666	16.903	20.156
Non-current liabilities	0	-227.603	-97	-35
Current liabilities	-2.698	-100.281	-20.320	-12.125

Total equity	**15.075**	**67.544**	**12.747**	**118.523**
Group's carrying amount of the investment	**5.844**	**67.523**	**15.395**	**47.000**

[1] The Group consolidated on 31/12/2017 the Group Gamenet Group S.p.A. with the equity method using the financial statements for the period 1/10/2016-30/9/2017 pursuant to IAS 28 para. 34.

Condensed statement of profit or loss for the period 1/1-31/12/2018:	**Lotrich Information Co LTD**	**Gamenet Group S.p.A. [1]**	**Intralot De Peru S.A.C.**	**Goreward LTD Group**
Sale Proceeds	6.699	610.798	226.484	4.269
Gross Profit / (Loss)	1.631	120.368	37.577	-18.045
EBITDA	827	90.327	16.745	-459
Profit / (Loss) before taxes	702	-676	13.426	-49.620
Taxes	-140	-3.112	-5.447	0
Profit / (Loss) after taxes	**562**	**-3.788**	**7.979**	**-49.620**
Other Comprehensive Income after tax	257	-456	79	-992
Total Comprehensive Income after taxes	**819**	**-4.244**	**8.058**	**-50.612**
Group's share of total comprehensive income of the period after taxes	**328**	**-939**	**1.612**	**-19.659**
Dividends received by the Group from the associates	336	3.600	1.336	0

[1] The Group consolidated on 31/12/2018 the Group Gamenet Group S.p.A. with the equity method using the financial statements for the period 1/10/2017-30/9/2018 pursuant to IAS 28 para. 34.

Condensed statement of profit or loss for the period 1/1-31/12/2017:	**Lotrich Information Co LTD**	**Gamenet Group S.p.A. [1]**	**Intralot De Peru S.A.C.**	**Bit8 LTD Group [2]**	**Goreward LTD Group**
Sale Proceeds	6.715	757.647	153.842	4.179	7.485
Gross Profit / (Loss)	1.629	115.931	28.163	2.752	-5.661
EBITDA	863	86.669	10.346	1.421	-674
Profit / (Loss) before taxes	732	7.641	7.063	433	-28.915
Taxes	-125	-10.093	-2.704	0	0
Profit / (Loss) after taxes	**607**	**-2.452**	**4.359**	**433**	**-28.915**
Other Comprehensive Income after tax	-653	1.542	-1.258	0	-24.800
Total Comprehensive Income after taxes	**-46**	**-910**	**3.101**	**433**	**-53.715**
Group's share of total comprehensive income of the period after taxes	**-18**	**-9**	**620**	**-1.011**	**-15.757**
Dividends received by the Group from the associates	203	0	442	0	0

[1] The Group consolidated on 31/12/2017 the Group Gamenet Group S.p.A. with the equity method using the financial statements for the period 1/10/2016-30/9/2017 pursuant to IAS 28 para. 34.
[2] Bit8 LTD Group consolidated with the equity method until 30/11/2017.

Reconciliation of the condensed financial statements with the carrying amount of the investment:	**Lotrich Information Co LTD**	**Gamenet Group S.p.A.**	**Intralot De Peru S.A.C.**	**Bit8 LTD Group**	**Goreward LTD Group**
Carrying amount of Investment as of 31/12/2016:	**6.065**	**83.532**	**15.217**	**5.492**	**70.500**
Profit / (Loss) after taxes of the period	243	-159	872	-1.010	-3.358
Other Comprehensive Income after tax of the period	-261	150	-252		-12.399
Dividends	-203		-442		
New consolidated entities/change in consolidation method				-4.482	

Acquisition of additional stake					848
Impairment		-16.000			-8.624
Other					33
Carrying amount of Investment as of 31/12/2017:	**5.844**	**67.523**	**15.395**	**0**	**47.000**
Profit / (Loss) after taxes of the period	225	-848	1.596		-19.273
Other Comprehensive Income after tax of the period	103	-91	16		-385
Dividends	-336	-3.600	-1.336		
Effect from IFRS 9		-1.150			
Impairment reversal		16.000			
Other		-182	-36		-10
Carrying amount of Investment as of 31/12/2018:	**5.836**	**77.652**	**15.635**	**0**	**27.332**

Associates didn't have any other contingent liabilities or capital commitments as at 31 December 2018 and 2017 other than those disclosed in note 2.32.

ii) Investment in Joint Ventures

The Group holds 50% in Uniclic LTD Group (consisting of Uniclic LTD and its 60% subsidiary, Dowa LTD), a consortium based in Cyprus. The Group consolidates this venture with the equity method applying the IFRS 11 "Schemes under common control". The carrying value of the investment in the joint venture Uniclic LTD Group is not significant for the Group's data.

In addition, the Group owns 50% of Karenia Enterpises Co Ltd, a Cyprus-based joint venture, and consolidates it from January 2018 using the equity method applying IFRS 11 "Schemes under common control". This company participates with 30% stake in ATHENS RESORT CASINO SA HOLDINGS ", which owns 51% of the Greek Casino Parnitha SA." ATHENS RESORT CASINO SA " HOLDINGS "is not consolidated by the Intralot Group and Karenia Enterpises Co Ltd's investment is valued at cost pursuant to IFRS 9.

Condensed statement of financial position as at 31/12/2018:	Karenia Enterpises Co Ltd
Non-current assets	13.500
Current assets	11
Long-term liabilities	0
Short-term liabilities	-24
Total Equity	**13.487**
Group's investment book value	**6.742**

Condensed statement of profit or loss for the period 1/1-31/12/2018:	Karenia Enterpises Co Ltd
Sale Proceeds	0
Gross Profit / (loss)	0
EBITDA	-15
Profit / (loss) before tax	-16
Tax	0
Profit/ (loss) after tax	**-16**
Other comprehensive income after tax	0
Total comprehensive income after tax	**-16**
Total comprehensive income after tax of the Group	**-8**

Joint ventures' dividends received from Group	0

Reconciliation of condensed financial statements presented in the book value of investments	**Karenia Enterprises Co Ltd**
Investment's book value as at 31/12/2017:	**0**
Additions	6.750
Profit / (loss) after tax of the period	-8
Investment's book value as at 31/12/2018:	**6.742**

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 31/12/2018 the letters of guarantee used amounted to €4,0 million). Also, a Group subsidiary in Bulgaria has secured a loan of €1,1 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 December 31, 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 31/12/2018 are included collateralized bank deposits as security coverage for banking facilities amounting €30 thousand (31/12/2017: €30 thousand) and other collateralized bank deposits amount to €359 thousand (31/12/2017: €360 thousand). Respectively, for the Company on 31/12/2018 are included collateralized bank deposits as security coverage for banking facilities amounting €30 thousand (31/12/2017: €30 thousand) and other collateralized bank deposits amount to €129 thousand (31/12/2017: €129 thousand).

C. PROVISIONS

GROUP	**Legal issues [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	80	451	767	**1.298**
Used provisions	0	0	-1.444	**-1.444**
Exchange differences	-183	5	-617	**-795**
Period closing balance	**4.455**	**3.572**	**4.884**	**12.911**
Long term provisions	**4.330**	**3.116**	**114**	**7.560**
Short term provisions	**125**	**456**	**4.770**	**5.351**
Total	**4.455**	**3.572**	**4.884**	**12.911**

[1] Relate to legal issues as analyzed in note 2.32.A.
[2] Relate to provisions for the coverage of differences from future audits for income taxes and other taxes. They are 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 amount to €2.488 thousand as well as €1.822 thousand for accrued income of players attriputable to sports betting prizes received and guaranteed numerical jackpots. The Other provisions are expected to be used in the next 1-6 years.

COMPANY	Legal issues [1]	Unaudited fiscal years and tax audit expenses [2]	Other provisions	Total provisions
Period opening balance	**4.497**	**3.115**	**91**	**7.703**
Period additions	60	0	0	**60**
Exchange differences	-166	0	0	**-166**
Period closing balance	**4.391**	**3.115**	**91**	**7.597**
Long term provisions	**4.331**	**3.115**	**0**	**7.446**
Short term provisions	**60**	**0**	**91**	**151**
Total	**4.391**	**3.115**	**91**	**7.597**

[1] Relate to legal issues as analyzed in note 2.32.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 31/12/2018 amounted to 5.187 persons (Company/subsidiaries 3.021 and associates 2.166) and the Company's to 691 persons. At the end of 2017, the number of employees of the Group amounted to 5.149 persons (Company/subsidiaries 3.132 and associates 2.017) and the Company's to 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 twelve months of 2018 and the balances on 31/12/2018 of other related parties:

Amounts reported in thousand of € (total operations)	GROUP		COMPANY	
	31/12/2018	**31/12/2017**	**31/12/2018**	**31/12/2017**
a) Income				
-from subsidiaries	0	0	39.525	44.334
-from associates - joint ventures	8.195	4.909	9.440	4.905
-from other related parties	7.411	6.908	5.411	5.600
b) Expenses				
-to subsidiaries	0	0	21.459	19.716
-to associates - joint ventures	31	623	10	623
-to other related parties	34.969	7.355	8.998	5.499
c) Receivables (A)				
-from subsidiaries	0	0	76.874	73.863
-from associates - joint ventures	10.869	10.202	7.350	6.469
-from other related parties	11.603	11.501	8.669	8.425
d) Payables (B)				
-to subsidiaries	0	0	308.351	252.070
-to associates - joint ventures	1	8	0	8
-to other related parties	10.325	22.482	7.179	17.541
e) BoD and Key Management Personnel transactions and fees	8.703	10.101	5.712	5.145
f) BoD and Key Management Personnel receivables	23	0	0	0
g) BoD and Key Management Personnel	456	452	220	222

payables				
(A) The respective amounts are analyzed as follows:				
Total due from related parties	22.495	21.703	92.893	88.757
(less) long term portion (note 2.19)	1.995	2.053	28	28
Short term receivables from related parties (note 2.20)	**20.500**	**19.650**	**92.865**	**88.729**
(B) The respective amounts are analyzed as follows:				
Total due to related parties	10.782	22.942	315.750	269.841
(less) long term loans	0	0	286.380	232.179
(less) long term liabilities (note 2.28)	0	0	0	0
Short term payables to related parties (note 2.29 & 2.25)	**10.782**	**22.942**	**29.370**	**37.662**

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 2018, the Company made provisions concerning an estimate of reduction of the recoverable value of receivables from subsidiaries amount to €3,1 million that were recorded in the income statement of the period. Alongside the Company made a reversal of provisions regarding an estimate for reduction in the recoverable amount of receivables from subsidiaries amounting €2,5 million, due to realized and expected relevant receipts from these subsidiaries that was recorded in the income statement of the period, while amount of €10,8 million of provisions was reversed due to realized and expected relevant receipts from subsidiaries and recorded in the income statement of the period. The cumulative provisions of 31/12/2018 was amounted to €28,6 million (31/12/2017: €38,8 million).

In 01/01/2018, the Company made provisions concerning an estimate of reduction of the recoverable value of receivables from subsidiaries amount to €1,7 of which €0,7 million was recorded as an adjustment to the opening balance of the "Retained Earnings" account pursuant to the first application of IFRS 9 and an amount of €1,0 million in the income statement for the period.

2.32 CONTINGENT LIABILITIES, ASSETS AND COMMITMENTS

A. LITIGATION CASES

a. 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.

b. 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.

c. 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. The Company filed an appeal against the decision requesting that the lawsuit to be accepted in total; no hearing date was set for the appeal. On 17 January 2019, the other parties submitted their waiver from the appeal and from their right to appeal this decision; such appeal was never served to Intralot. Intralot also waived from its appeal and its right to appeal. The dispute was concluded and the above decision of the Athens Multi-member Court of First Instance became final and irrevocable in favor of the Company.

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. Due to the statute of limitations provided in the law, the judgment of the company is that the plaintiffs, legally, cannot file again a new lawsuit since such new lawsuit would be dismissed as subject to the statute of limitations.

The above cases are henceforth considered as finalized.

d. 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 (€100.566) 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.

e. 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 (€6,33m). 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 heard on 4 October 2018 before the Athens Court of Appeals and the decision is pending. In parallel, the Company filed also an application for suspension of execution which was heard on 24 May 2018 before the Athens Court of Appeals and the decision issued granted a suspension of execution until the issue of the decision in relation to appeal. 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.

f. 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.

g. 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 became final, while the application for cassation filed by Intralot Holdings International Ltd. was rejected.

h. 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 RON (€1.188.351) and to the subsidiary LOTROM to 512.469 RON (€109.889). 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 been scheduled for hearing on 6 June 2019. The Competition Board filed a separate appeal against the decision which accepted Intralot's application for the annulment which has been scheduled for hearing on 7 April 2020.

i. 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 initial stage of the procedure which, for the time, relates to the collection of evidences and the conduct of investigation actions 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.

j. 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 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 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 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 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. On 26 March 2019, Intralot Group announced that it has reached an agreement with Merkur Sportwetten GmbH, a subsidiary of the Gauselmann Group based in Espelkamp, Germany for the sale of its wholly owned subsidiary "Totolotek SA". The share purchase agreement has already been concluded, while the clearance of the regulatory authorities is expected soon.

k. 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.

l. 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 23 August 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 referred 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 rejected.

m. 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 heard on 1 November 2018 before the Athens Court of Appeal and the decision is pending.

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 lawsuit was heard on 4 October 2017 and the decision issued accepted the lawsuit. ODIE filed an appeal which has been scheduled for hearing before the Athens Court of Appeal on 24 October 2019.

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.

n. 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.

o. In Poland a lawsuit was filed against the subsidiary "Totolotek SA" by a player of betting games; he claims that the amount of 861.895PLN (€200.375) which was not paid by the abovementioned subsidiary because of violation of the betting regulations by the plaintiff, is due to him. "Totolotek 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. On 26 March 2019, Intralot Group announced that it has reached an agreement with Merkur Sportwetten GmbH, a subsidiary of the Gauselmann Group based in Espelkamp, Germany for the sale of its wholly owned subsidiary "Totolotek SA". The share purchase agreement has already been concluded, while the clearance of the regulatory authorities is expected soon.

p. 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 judgment, 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 decision issued rejected the appeal and upheld the decision on the injunctions. Against this decision Econocom Nederland B.V. filed an appeal for cassation which 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.

q. 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 (€849.287) for unpaid invoices and the amount of 3.210.848,10 RON (€688.506) 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 9th May 2019 and Intralot reserves the position that it has strong arguments to object the claims of "INTRAROM SA".

r. In Cyprus, the National Betting Authority had suspended the Class A license since December 5, 2017 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. Royal Highgate Pcl Ltd. considering that those requested by the National Betting Authority are beyond the provisions of the law, filed a recourse before the competent administrative court of Nicosia which was heard on 30 March 2018. The decision issued rejects the recourse for typical reasons. Royal Highgate Pcl Ltd. filed an appeal against this decision which is at the hearing process. In parallel, Royal Highgate Pcl Ltd. has filed three more recourses against decisions of the National Betting Authority relating to the suspension of the license of Royal Highgate Pcl Ltd. which are all pending. National Betting Authority started the procedure for the revocation of the license of Royal Highgate Pcl Ltd. and the latter submitted its arguments on 30 November 2018 without any further actions from the National Betting Authority. On 31 December 2018, the contractual term of the license of Royal Highgate Pcl Ltd. expired.

s. 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 (€30,6m). The local court accepted Intralot, Inc.'s motions to dismiss in two lawsuits, holding that the plaintiffs were required to exhaust administrative remedies and failed to do so. The other side filed appeals against such decisions. 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.

t. 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 decision issued partially accepted the lawsuit in relation to the amount of €46.500,82, while the second one had been scheduled for hearing on 10 May 2018 when it was postponed for 24 January 2019 and on that day for 11 October 2019.

u. In Morocco, a judgment was notified to the subsidiary company Intralot Maroc deciding the payment of the amount of 3.360.000 MAD (€306.628) to a supplier company. The company Intralot Maroc has filed an appeal which is pending.

v. On 1 April 2019, the Company filed a Request for Arbitration before the ICC International Court of Arbitration requesting to be declared that the defendant Sisal SpA has breached a contract signed with Intralot by using, in Morocco, terminals and the software embedded therein.

Until April 12, 2019, 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) AFFILIATE COMPANIES

COMPANY	YEARS
INTRALOT S.A.	2013-2018
BETTING COMPANY S.A.	2013-2018
BETTING CYPRUS LTD	2013-2018
INTRALOT IBERIA HOLDINGS SA	2014-2018
INTRALOT JAMAICA LTD	2010-2018
INTRALOT TURKEY A.S.	2014-2018
INTRALOT DE MEXICO LTD	2009-2018
INTRALOT CHILE SPA	2016-2018
INTELTEK INTERNET AS	2014-2018
POLDIN LTD	2014-2018
ATROPOS S.A.	2010-2018
INTRALOT SERVICES S.A.	2015-2018
INTRALOT ADRIATIC DOO	2015-2018
BILYONER INTERAKTIF HIZMELTER AS GROUP	2015-2018
INTRALOT MAROC S.A.	2016-2018
GAMING SOLUTIONS INTERNATIONAL LTDA	2013-2018
INTRALOT INTERACTIVE S.A.	2013-2018
INTRALOT GLOBAL SECURITIES B.V.	2013-2018
INTRALOT CAPITAL LUXEMBOURG S.A.	2017-2018
INTRALOT FINANCE LUXEMBOURG S.A.	2017

COMPANY	YEARS
WHITE EAGLE INVESTMENTS LTD	2017-2018
BETA RIAL Sp.Zoo	2014-2018
POLLOT Sp.Zoo	2014&2016-2018
TOTOLOTEK S.A.	2014-2018
INTRALOT SLOVAKIA SPOL. S.R.O.	2014-2018
NIKANTRO HOLDINGS Co LTD	2013-2018
LOTERIA MOLDOVEI S.A.	2014-2018
INTRALOT BETTING OPERATIONS (CYPRUS) LTD	2013-2018
ROYAL HIGHGATE LTD	2013-2018
INTRALOT LEASING NEDERLAND B.V.	2013-2018
INTRALOT IRELAND LTD	2014-2018
BILOT INVESTMENT LTD	2016-2018
EUROBET LTD	2012-2018
EUROBET TRADING LTD	2014-2018
ICS S.A.	2013-2018
INTRALOT GLOBAL OPERATIONS B.V.	2016-2018
GARDAN LTD	-
GAMEWAY LTD	2016-2018
INTRALOT ITALIAN INVESTMENTS B.V.	2017-2018
BIT8 LTD	2013-2018

INTRALOT GLOBAL HOLDINGS B.V.	2013-2018	INTRALOT CYPRUS GLOBAL ASSETS LTD	2013-2018
INTRALOT INC	2014-2018	INTRALOT OOO	2016-2018
DC09 LLC	2014-2018	INTRALOT ST. LUCIA LTD	2012-2018
INTRALOT AUSTRALIA PTY LTD	2014-2018	INTRALOT GUATEMALA S.A.	2009-2018
INTRALOT GAMING SERVICES PTY	2014-2018	LOTERIAS Y APUESTAS DE GUATEMALA S.A.	2009-2018
ILOT CAPITAL UK LTD	2017-2018	INTRALOT HOLDINGS INTERNATIONAL LTD	2013-2018
ILOT INVESTMENT UK LTD	2017-2018	INTRALOT INTERNATIONAL LTD	2013-2018
INTRALOT NEDERLAND B.V.	2010-2018	INTRALOT OPERATIONS LTD	2013-2018
INTRALOT BENELUX B.V.	2018	NETMAN SRL	2013-2018
LOTROM S.A.	2013-2018	BILOT EOOD	2013-2018
INTRALOT BEIJING Co LTD	2007-2018	EUROFOOTBALL LTD	2012-2018
TECNO ACCION S.A.	2012-2018	INTRALOT TECHNOLOGIES LTD	2013-2018
TECNO ACCION SALTA S.A.	2015-2018	INTRALOT LOTTERIES LTD	2013-2018
MALTCO LOTTERIES LTD	2004-2018	INTRALOT BUSINESS DEVELOPMENT LTD	2013-2018
INTRALOT NEW ZEALAND LTD	2013&2017-2018	GAMING SOLUTIONS INTERNATIONAL SAC	2014-2018
INTRALOT DO BRAZIL LTDA	2013-2018	NAFIROL S.A.	-
OLTP LTDA	2013-2018	LEBANESE GAMES S.A.L	-
INTRALOT GERMANY GMBH	2016-2018	INTRALOT HONG KONG HOLDINGS LTD	-
INTRALOT SOUTH KOREA S.A.	2007-2018	ENTERGAMING LTD	-
INTRALOT FINANCE UK LTD	2017-2018	INTRALOT BETTING OPERATIONS RUSSIA LTD	2013-2018
INTRALOT ASIA PACIFIC LTD	2017-2018	INTRALOT DE COLOMBIA (BRANCH)	2013-2018

The tax audits were completed in Intralot Finance Luxembourg S.A. (which has been adsorbed by Intralot Capital Luxembourg S.A.) for the years 2013 & 2016 (regarding VAT) and in Intralot Leasing Nederland B.V. VAT audit, too, regarding the period 1/1/2013 – 30/06/2014, while in Gaming Solution International S.A.C. 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. In Intralot Operations Ltd a reversal of income tax provision plus fines and penalties was made of amount to €66 thousand for the period 1/1/2007 – 31/12/2009 based on the Notice of Assessment which was nil. In Intralot Maroc SA notification of tax audit and VAT was served for the years 2016&2017 without without the result of the audit having been notified so far. In that content, the company decided to make an income tax provision amount to €450 thousand. Last, a limited tax review was of the year 2016 was completed in Intralot Iberia Holdings S.A.. Tax audit are in progress in Inteltek Internet A.S. for the period 2014-2015 and Bilyoner İnteraktif Hizmetler A.Ş. for the period 2015-2017. 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 2013-2017, the company Intralot S.A. for the period 2014-2017 and the company Intralot Services S.A. for the period 2015-2017. The abovementioned companies are being under tax audit for getting a tax certificate for 2018. In Intralot SA during the tax audit for the year 2011, were imposed taxes on accounting differences plus surcharges amount 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. 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 ENTITIES & JOINT VENTURES

COMPANY	YEARS	COMPANY	YEARS
LOTRICH INFORMATION Co LTD	2018	LA CHANCE S.R.L.	2016-2018
INTRALOT SOUTH AFRICA LTD	2017-2018	SLOT PLANET S.R.L.	2016-2017
GOREWARD LTD	-	GAMENET SCOMMESSE S.p.A. [2]	2014-2017
GOREWARD INVESTMENTS LTD	-	TOPPLAY S.R.L.	2014-2018
PRECIOUS SUCCESS LTD GROUP	2013-2018	GNETWORK S.R.L.	2015-2018
GAIN ADVANCE GROUP LTD	-	BILLIONS ITALIA S.R.L.	2015-2018
OASIS RICH INTERNATIONAL LTD	-	JOLLY VIDEOGIOCHI S.R.L.	2014-2018
WUSHENG COMPUTER TECHNOLOGY (SHANGHAI) CO LTD	2018	ROSILSPORT S.R.L	2014-2018
UNICLIC LTD	2005-2018	NEW MATIC S.R.L.	2014-2018
DOWA LTD	2013-2018	AGESOFT S.R.L.	2016-2018
GAMENET GROUP S.p.A.	2016-2018	GOLDBET S.R.L.	2013-2018
GAMENET S.p.A.	2014-2018	KARENIA ENTERPRISES COMPANY LTD	2010-2018
INTRALOT ITALIA S.p.A	2014-2018	INTRALOT DE PERU SAC	2015-2018
GAMENET ENTERTAINMENT S.R.L.	2014-2018	SERVICIOS TRANSDATA S.A. [1]	2012-2013
EASY PLAY S.R.L.	2017-2018		

[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 audit was completed in 2016 in Intralot South Africa Ltd without incurring any tax burden. 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 amount 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.

It is noted that while Gamenet S.p.A. management belief is that (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 the year end December 31, 2018.

C. COMMITMENTS

(i) Operating lease payment commitments

On 31 December 2018 within the Group there have been various operating lease agreements relating to rental of buildings,machinery and motor vehicles. Rental costs have been included in the income statement for the period ended on 31 December 2018. Future minimum lease payments (in future nominal values - not discounted) of non-cancelable lease contracts, pursuant to IAS 17, as at 31 December 2018 are as follows:

	GROUP		COMPANY	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Within 1 year	6.623	5.372	738	835
Between 2 and 5 years	10.527	5.598	1.656	2.057
Over 5 years	3.390	796	490	738
Total	**20.540**	**11.766**	**2.884**	**3.630**

(ii) Guarantees

The Company and the Group on 31 December 2018 had the following contingent liabilities from guarantees for:

	GROUP		COMPANY	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Bid	8.734	8	0	8
Performance	148.565	172.255	33.183	34.814
Financing	4.410	9.794	120	6.800
Other	227	302	227	302
Total	**161.936**	**182.359**	**33.530**	**41.924**

	GROUP	
	31/12/2018	31/12/2017
Guarantees issued by the parent and subsidiaries:		
- third party	161.936	182.335
- third party on behalf of affiliates	0	24
Total	**161.936**	**182.359**

	COMPANY	
	31/12/2018	31/12/2017
Guarantees issued by the parent:		
- third party on behalf of subsidiaries	31.373	38.406
- third party on behalf of affiliates	0	24
- third party on behalf of the parent	2.157	3.494
Total	**33.530**	**41.924**

Beneficiaries of Guarantees:
Bid: Hrvatska Lutrija D.O.O, South Dakota Lottery

Performance: Arkansas Lottery Commission, Centre Monetique Interbancaire (CMI), City of Torrington, DC Lottery Board, Georgia Lottery Corporation, GPT Pty Ltd, Hrvatska Lutrija D.O.O., Icra Dairesi Mudurlugu, Idaho State Lottery, Camelot Illinois LLC, 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, Lotto Hamburg, Louisiana Lottery Commission, Lutrija Bosne i Hercegovine D.O.O., Malta Gaming Authority, Milli Piyango Idaresi Genel Mudurlugu, 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, Denizli 9.Icra Mudurlugu, State of Ohio - Department of Health, Hanseatische Immobilienfonds Gmbh

Other: Teknoloji Holdings

(iii) Financial lease commitments

GROUP	Minimum of the lease payments 31/12/2018	Present value of the minimum lease payments 31/12/2018	Minimum of the lease payments 31/12/2017	Present value of the minimum lease payments 31/12/2017
Within one year	1.828	1.726	1.462	1.418
After one year but not more than five years	1.844	1.797	1.397	1.389
After more than five years	0	0	0	0
Minus: Interest	-149	0	-52	0
Total	**3.523**	**3.523**	**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 December 31, 2018 were:

GROUP	31/12/2018	31/12/2017
Within 1 year	2.010	2.875
Between 2 and 5 years	2.021	3.096
Over 5 years	0	0
Total	**4.031**	**5.971**

2.33 FINANCIAL RISK MANAGEMENT

Description of significant risks and uncertainties

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 financial position. 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 management means maintaining adequate liquidity, funding ability through approved credit limits, and ability to repay liabilities. The Group has established specific policies to manage and monitor its liquidity in order to continuously have sufficient cash and liquid non-core assets that can meet its obligations. In addition, the Group has set up a system of monitoring and constant optimization of its operating and investing costs in the framework of its liquidity management policies.

The following tables summarize the maturity of the financial liabilities of the Group based on contractual undiscounted payments.

GROUP		31/12/2018		
Financial Liabilities:	0-1 years	2-5 years	> 5 years	Total
Creditors and other liabilities [1] (note 2.29)	95.739			**95.739**
Other long term liabilities [1] (note 2.28)		671	10	**681**
Bonds (Senior Notes) [2]	42.863	387.700	520.987	**951.550**
Other Loans and finance leases [3]	28.860	10.224	927	**40.011**
Total	**167.462**	**398.595**	**521.924**	**1.087.981**

GROUP		31/12/2017		
Financial Liabilities:	0-1 years	2-5 years	> 5 years	Total
Creditors and other liabilities [1] (note 2.29)	136.266			**136.266**
Other long term liabilities [1] (note 2.28)		1.059	10	**1.069**
Derivative financial instruments	18			**18**
Bonds (Senior Notes) [2]	42.760	405.625	552.500	**1.000.885**
Other Loans and finance leases [3]	7.250	2.931	65	**10.246**
Total	**186.294**	**409.615**	**552.575**	**1.148.484**

[1] Excluding "Deferred Income" of notes 2.28 & 2.29 and refer to liabilities balances as of 31/12/2018 and 31/12/2017 as recognised in the relevant Statements of Financial Position, measured at amortized cost.
[2] Refer to Facilities "A" and "B" of note 2.25 and include bonds balances (outstanding balance – after relevant repurchases) including future contractual interest up to maturity date, on undiscounted values, that differ to the relevant carrying amounts on Statements of Financial Position, that are measured at amortized cost according to IFRS 9.
[3] Refer to the remaining Debt of the note 2.25 (excluding the above Bonds) as of 31/12/2018 & 31/12/2017 and is stated as has been recognized to the relevant Statements of Financial Positions, measured at amortized cost. Impact by the first application of IFRS 16 as of 1/1/2019 is excluded, but is disclosed in the note 2.1.4.

COMPANY [4] Financial Liabilities:	31/12/2018 0-1 years	2-5 years	> 5 years	Total
Creditors and other liabilities (note 2.29)	45.125			**45.125**
Other long term liabilities (note 2.28)				**0**
Loans and finance leases (note 2.25)		248.645	37.735	**286.380**
Total	**45.125**	**248.645**	**37.735**	**331.505**

COMPANY [4] Financial Liabilities:	31/12/2017 0-1 years	2-5 years	> 5 years	Total
Creditors and other liabilities (note 2.29)	61.892			**61.892**
Other long term liabilities (note 2.28)				**0**
Derivative financial instruments	18			**18**
Loans and finance leases (note 2.25)		232.179		**232.179**
Total	**61.910**	**232.179**	**0**	**294.089**

[4] Excluding "Deferred Income" of notes 2.28 & 2.29 and refer to liabilities balances as of 31/12/2018 and 31/12/2017 as recognised in the relevant Statements of Financial Position, measured at amortized cost.

Market Risk

1) Foreign Exchange risk

Fluctuations in exchange rates can have significant effects on the Group's currency positions. Group transactions are carried out in more than one currency and therefore there is a high exposure in foreign exchange rate fluctuations against the euro, which is the main underlying economic currency. On the other hand, the Group's activity abroad also helps to create an advantage in foreign exchange risk management, due to the diversification in the currency portfolio. This kind of risk mainly results from commercial transactions in foreign currency as well as investments in foreign entities. For managing this type of risk, the Group enters into derivative financial instruments with various financial institutions, such as foreign currency hedging for receipts of foreign currency dividends by abroad subsidiaries. The Group's policy regarding the foreign exchange risk concerns not only the parent company but also the Group's subsidiaries.

Foreign Currency	Currency Movement	Sensitivity Analysis in Currency movements amounts of the period 1/1 – 31/12/2018 (in thousand €) Effect in Earnings before taxes	Effect in Equity
USD:	5%	-678	3.816
	-5%	613	-3.452
TRY:	5%	3.416	598
	-5%	-3.091	-541
PEN:	5%	81	30
	-5%	-73	-27
BRL:	5%	-315	-1.105
	-5%	285	1.000
CNY:	5%	-112	-69
	-5%	101	63
ARS:	5%	317	198
	-5%	-287	-179

Foreign Currency	Currency Movement	Sensitivity Analysis in Currency movements amounts of the period 1/1 – 31/12/2017 (in thousand €) Effect in Earnings before taxes	Effect in Equity
USD:	5%	63	1.166
	-5%	-57	-1.055
TRY:	5%	2.288	1.788
	-5%	-2.070	-1.617

PEN:	5% -5%	70 -64	-4 4
BRL:	5% -5%	-329 298	-918 830
CNY:	5% -5%	-154 140	146 -132
ARS:	5% -5%	740 -670	73 -66

DERIVATIVE FINANCIAL INSTRUMENTS

To cover currency risk from future cash flows in foreign currency, the Group proceeded during 2018 to conclusion of related hedging contracts with Greek and international financial institutions, for Parent Company and its subsidiaries. These contracts concerned forwards, flexible forwards and currency options for future cash flows in TRY amounting 32,9 million.

The Group from the valuation of fair value and liquidation of these derivatives, reported a profit of €68 thousand, recognized in income statement 2018 (€50 thousand) and hedging reserve (€18 thousand). As at 31 December 2017, the Group from the valuation of fair value and settlement of derivatives reported a loss of €142 million recognized in income statement 2017 (€124 thousand) and in hedging reserve (€18 thousand).

2) Interest rate risk

Interest rate risk is the risk that the fair value or the 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 investments 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 their 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 floating rate. The Group also manages interest rate risk by having a balanced portfolio of loans with fixed and floating rate borrowings. On 31 December 2018, taking into account the impact of financial hedging products, approximately 97% of the Group's borrowings are at a fixed rate (2017: 99%) with an average life of approximately 5 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 rate risk

Year 2018	Change in interest rate	Effect on profit before tax
Euribor 1M	+/- 1%	150

Year 2017	Change in interest rate	Effect on profit before tax
Euribor 1M	+/- 1%	0

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 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 (31/12/2018: aprroximatelly 3,32), and will be able to incur additional senior debt so long as on a pro forma basis its consolidated senior leverage ratio is not more than 3,75 (31/12/2018: approximately 4,71). Furthermore to the above, the Group can incur additional debt from specific baskets. If new debt is added to INTRALOT's existing debt levels, the risks associated with its high leverage described above, including its possible inability to service its debt, will increase.

CAPITAL MANAGEMENT

The Group aims through the management of capital to ensure that the Group can operate smoothly in the future, maximize the value of its shareholders and maintain the appropriate capital structure in terms of costs of capital.

The Group monitors its capital adequacy on a Net Debt to EBITDA ratio basis. Net borrowings include borrowing and finance lease liabilities minus cash and cash equivalents.

	GROUP	
	31/12/2018	**31/12/2017 [1]**
Long term loans	735.297	727.988
Long term finance lease liabilities	1.797	1.389
Short term loans	38.929	17.927
Short term finance lease liabilities	1.726	1.418
Total Debt	**777.749**	**748.722**
Cash and cash equivalents	-162.461	-238.041
Net Debt	**615.288**	**510.681**
Discontinued operations debt	0	0
Discontinued operations cash and cash equivalents	0	7.535
Net debt (adjusted)	**615.288**	**518.216**
EBITDA from continuing operations	**116.532**	**151.045**
Leverage	**5,28**	**3,43**

[1] The Net Debt 31/12/2017 has been adjusted to exclude the balances of Group discontinued operations in Azerinteltek AS.

2.34 APPLICATION OF IAS 29 "FINANCIAL REPORTING IN HYPERINFLATIONARY ECONOMIES"

The Group operates in Argentina through its two subsidiaries Techno Accion SA and Techno Accion Salta SA. Since the third quarter of 2018, the cumulative 3-year inflation index in Argentina has exceeded 100% and the country is now considered as a hyperinflationary economy for accounting purposes under IAS 29. The Group applied, for the first time in the nine months of 2018, IAS 29 and restated to current purchasing power in the financial statements (2018 transactions and non-cash balances) of the above subsidiaries that use ARS as functional currency and present their financial statements at historical cost. The restatement was made using the (IPIM) Internal Index Wholesale Prices and applied pursuant to IAS 29, as if Argentina has always been a hyperinflationary economy. The cumulative effect of the application of IAS 29 by 31/12/2017 was recorded as an adjustment to the opening balance of equity for the year 2018. In accordance with IAS 21, paragraph 43, the comparable Income Statement of the Group (1/1- 31/12/2017) has not been restated.

Below is an analysis of the cumulative effect (after the relevant consolidation eliminations) of the non-cash assets, liabilities and equity from the application of IAS 29 by 31/12/2017 (adjustment to the opening balance of equity for the year 2018):

Amounts in thousand €	GROUP 1/1/2018
ASSETS	
Tangible assets	1.800
Intangible assets	42
Trade and other short term receivables	98
TOTAL ASSETS	**1.940**
EQUITY AND LIABILITITES	
Other reserves	626
Retained earnings	5
Total equity attributable to shareholders of the parent	**631**
Non-controlling interest	631
Total equity	**1.262**
Deferred tax liabilities	678
Total long term liabilities	**678**
TOTAL LIABILITIES	**678**
TOTAL EQUITY AND LIABILITES	**1.940**

The result (after the relevant consolidation eliminations) from the restatement of the non-cash assets, liabilities and transactions of 2018 following the application of IAS 29 amounted to a loss of €130 thousand and was recorded in the Income Statement (line "Gain/(loss) to net monetary position").

The conversion FX rates of the financial statements of the above subsidiaries were:

Statement of Financial Position:

	31/12/2018	31/12/2017	Change
EUR / ARS	43,10	22,39	92,5%

Income statement:

	AVG 1/1-31/12/2018	AVG 1/1-31/12/2017	Change
EUR / ARS [1]	43,10	18,75	129,9%

[1] The Income Statement of 2018 of the Group's subsidiaries operating in Argentina was converted at the closing rate of 31/12/2018 instead of the AVG. 1/1-31/12/2018 pursuant to IAS 21, paragraph 42a, for hyperinflationary economies.

2.35 COMPARATIVE

In the presented data of the previous years, there were limited adjustments/reclassifications for comparability purposes, with no significant impact on "Equity", "Sale Proceeds" and "Profit / (loss) after tax" of the Group and the Company.

In addition, when finalizing the analysis of the impact of the application of IFRS 15 at the end of 2018, the Group has decided to reclassify consideration (bonuses, marketing incentives, etc.) payable to customers, or customers of Group's customers when the Group operates as an agent, from "Cost of Sales" and "Selling Expenses" to be deducted by "Sale Proceeds". Below are the relative reclassifications of comparative periods for 2018 and 2017.

	GROUP 1/1-30/9/2018			
Amounts in thousand €	Initial Publication	Subsequent Discontinued Operations	Consideration Payable to Customers reclassification	Total
Sale Proceeds	798.645	-121.333	-16.085	661.227
Less: Cost of Sales	-636.442	100.686	1.774	-533.982
Gross Profit /(loss)	**162.203**	**-20.647**	**-14.311**	**127.245**
Selling Expenses	-43.899	2.361	14.311	-27.227
EBIT	**66.856**	**-17.069**	**0**	**49.787**
EBITDA	**114.917**	**-17.314**	**0**	**97.603**

	GROUP 1/1-30/6/2018			
Amounts in thousand €	Initial Publication	Subsequent Discontinued Operations	Consideration Payable to Customers reclassification	Total
Sale Proceeds	547.618	-82.151	-12.463	453.004
Less: Cost of Sales	-431.123	69.299	1.226	-360.598
Gross Profit /(loss)	**116.495**	**-12.852**	**-11.237**	**92.406**
Selling Expenses	-31.826	1.526	11.237	-19.063
EBIT	**48.270**	**-10.506**	**0**	**37.764**
EBITDA	**80.080**	**-10.670**	**0**	**69.410**

	GROUP 1/1-31/3/2018			
Amounts in thousand €	Initial Publication	Subsequent Discontinued Operations	Consideration Payable to Customers reclassification	Total
Sale Proceeds	280.665	-40.237	-7.168	233.260
Less: Cost of Sales	-219.886	33.622	540	-185.724
Gross Profit /(loss)	**60.779**	**-6.615**	**-6.628**	**47.536**
Selling Expenses	-17.185	664	6.628	-9.893
EBIT	**26.915**	**-5.574**	**0**	**21.341**
EBITDA	**42.599**	**-5.660**	**0**	**36.939**

Amounts in thousand €	GROUP 1/1-31/12/2017 Initial Publication	Subsequent Discontinued Operations	Consideration Payable to Customers reclassification	Total
Sale Proceeds	1.104.197	-153.316	-20.286	930.595
Less: Cost of Sales	-862.328	129.172	2.654	-730.502
Gross Profit /(loss)	**241.869**	**-24.144**	**-17.632**	**200.093**
Selling Expenses	-60.966	2.588	17.632	-40.746
EBIT	**108.558**	**-20.290**	**0**	**88.268**
EBITDA	**171.466**	**-20.421**	**0**	**151.045**

Amounts in thousand €	GROUP 1/1-30/9/2017 Initial Publication	Subsequent Discontinued Operations	Consideration Payable to Customers reclassification	Total
Sale Proceeds	1.085.816	-400.953	-12.149	672.714
Less: Cost of Sales	-894.985	356.803	1.322	-536.860
Gross Profit /(loss)	**190.831**	**-44.150**	**-10.827**	**135.854**
Selling Expenses	-42.712	3.844	10.827	-28.041
EBIT	**86.039**	**-26.842**	**0**	**59.197**
EBITDA	**137.295**	**-28.528**	**0**	**108.767**

Amounts in thousand €	GROUP 1/1-30/6/2017 Initial Publication	Subsequent Discontinued Operations	Consideration Payable to Customers reclassification	Total
Sale Proceeds	733.165	-275.222	-7.481	450.462
Less: Cost of Sales	-606.171	245.919	623	-359.629
Gross Profit /(loss)	**126.994**	**-29.303**	**-6.858**	**90.833**
Selling Expenses	-29.423	2.560	6.858	-20.005
EBIT	**56.452**	**-18.357**	**0**	**38.095**
EBITDA	**92.225**	**-19.315**	**0**	**72.910**

Amounts in thousand €	GROUP 1/1-31/3/2017 Initial Publication	Subsequent Discontinued Operations	Consideration Payable to Customers reclassification	Total
Sale Proceeds	367.896	-137.472	-3.344	227.080
Less: Cost of Sales	-304.714	123.370	201	-181.143
Gross Profit /(loss)	**63.182**	**-14.102**	**-3.143**	**45.937**
Selling Expenses	-14.240	1.111	3.143	-9.986
EBIT	**29.326**	**-8.999**	**0**	**20.327**
EBITDA	**46.535**	**-9.486**	**0**	**37.049**

2.36 SIGNIFICANT FLUCTUATIONS, RECLASSIFICATIONS & REVERSALS

Income Statement

Below are the most significant fluctuations in the Group's Income Statement for the period 1/1-31/12/2018 compared to 1/1-31/12/2017:

Sale proceeds

Sale proceeds decreased by €59,8 million, or by 6,4%, from €930,6 million in the period 1/1-31/12/2017 to €870,8 million in the period 1/1/-31/12/2018. This decrease was manly driven by the decreased revenue in the segments "Licensed operations" and "Technology and support services". Particularly, Sale proceeds decreased by €32,8 million in Argentina (due to the negative FX impact and the application of IAS 29), by €16,0 million in Cyprus (due to Royal Highgate Ltd license suspension), by €13,2 million in Turkey (due to the negative FX impact), by €11,5 million in Greece (mainly due to the transmission to the new contract of OPAP technical support), by €7,1 million in USA (mainly due to the increased terminals sales in 2017 compared to 2018, and the negative FX impact), by €5,1 million in Australia (due to a sale of software license in 2017 and the negative FX impact), while on the same time Sale proceeds increased by €13,8 million in Bulgaria (mainly due to the development of Virtual Sports, Racing, and Sports Betting), by €6,2 million in Poland (due to the development of Interactive Sport Betting and Virtual Games), by €4,8 million in Morocco and by €2,4 million in Chile.
Sale proceeds for the period 1/1-31/12/2018 on a constant currency basis, net of negative FX impact of €113,1 million, amounted to €983,9 million meaning an increase by 5,7% compared to the period 1/1-31/12/2017.

Gross Profit

Gross profit decreased by €38,8 million, or by 19,4%, from €200,1 million in the period 1/1-31/12/2017 to €161,3 million in the period 1/1/-31/12/2018. This decrease is mainly driven by the decrease in Sale proceeds from the negative FX impact as analyzed above, as well as the increased Payout ratio.

Other operating expenses

Other operating expenses increased by €3,0 million, or by 42,9%, from €7,0 million in the period 1/1-31/12/2017 to €10,0 million in the period 1/1/-31/12/2018. This increase is mainly driven by the increased provisions for contractual penalties in Morocco.

EBITDA

EBITDA decreased by €34,5 million, or by 22,8%, from €151,0 million in the period 1/1-31/12/2017 to €116,5 million in the period 1/1/-31/12/2018. This decrease is mainly driven by the decrease in Sale proceeds from the negative FX impact, the decrease in Gross Profit and the increase in Other Operating Expenses as analyzed above.

EBITDA for the period 1/1-31/12/2018 on a constant currency basis, net of negative FX impact of €29,0 million, amounted to €145,6 million meaning a decrease by 3,6% compared to the period 1/1-31/12/2017.

Income/(expenses) from participations and investments

Income/(expenses) from participations and investments improved by €42,5 million, from expenses €24,1 million in the period 1/1-31/12/2017 to income €18,4 million in the period 1/1-31/12/2018. This improvement is mainly driven by the reversal of a provision of €16,0 million which relates to a relative estimation of decrease in the recoverable amount of the participation in the associate entity Gamenet Group S.p.A. which was recognized in 2017. The reversal was made in accordance with IAS 36 para. 110, as following the acquisition of GoldBet (note 2.31.A.III) in October 2018, the value of the participation in the associate entity Gamenet Group S.p.A. increased significantly. The valuation of the participation was carried out by an external independent valuator. On the same time, Income/(expenses) from participations and investments improved due to the increased dividend income in 2018 by €2,5 million form associate entities and other investments.

Gain / (losses) from assets disposal, impairment loss and write-off of assets

Gain / (losses) from assets disposal, impairment loss and write-off of assets deteriorated by €17,0 million, from loss €2,3 million in the period 1/1-31/12/2017 to loss €19,3 million in the period 1/1-31/12/2018. This deterioration is mainly driven by the increased impairment provisions of assets, mainly due to the impairment provision of goodwill in subsidiary Inteltek A.S. (note 2.16) of €14,4 million following the award of the competition for Iddaa game, that completed in the first quarter of 2019, to another bidder.

Interest and similar expenses

Interest and similar expenses decreased by €19,6 million, or by 28,0%, from €70,0 million in the period 1/1-31/12/2017 to €50,4 million in the period 1/1/-31/12/2018. This decrease is mainly driven by increased costs that charged in the second semester of 2017 from accelerated amortization of issue expenses of the May 2021 bond and the bank facilities, as well as redemption premium, due to their early repayment in 2017.

Exchange Differences

The account "Exchange Differences" in the period 1/1-31/12/2018 of €8,2 million mainly refers to gain of approximately €11,7 million from valuation of cash balances in foreign currency other than the functional currency of each entity, as well as losses of approximately €3,5 million from valuation of commercial and borrowing liabilities (intercompany and non) in EUR that various subsidiaries abroad had as at 31/12/2018, with a different functional currency than the Group.

Profit / (loss) from equity method consolidations

Losses from equity method consolidations amounted in the period 1/1-31/12/2018 to €18,3 million compared to losses of €3,4 million in the period 1/1-31/12/2017. Further analysis per associate entity and joint venture is provided in note 2.31.A.XI.

Further analysis for the accounts Group Income Statement for the period 1/1-31/12/2018 compared to 1/1-31/12/2017 is provided in the "REPORT OF THE BOARD OF DIRECTORS-INTRALOT GROUP TO THE ANNUAL GENERAL ASSEMBLY OF THE SHAREHOLDERS FOR THE FISCAL YEAR 01/01/2018-31/12/2018", as well as in the Group Management report ("INTRALOT Group MANAGEMENT'S DISCUSSION & ANALYSIS") that has been posted in the website www.intralot.com.

Statement of Financial Position

No significant reclassifications were made to the Group's statement of financial position as of 31/12/2018 compared to the 31/12/2017.

Contract of OPAP technical support

Intralot Group relationship with Greek Organization of Football Prognostics S.A. (OPAP) began in 1999. Most recently, the Group signed a four year technology contract with OPAP in June 2014. 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 evolution. 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. In December 2017, the Group and OPAP agreed the extension of their cooperation specifically in the field of numerical lotteries and services, particularly in the lottery sector, which is limited scope in comparison to the previous contract. The new contract, dated in August 1,2018 is for a three years period, that also includes an option for OPAP to renew for an additional two years.

2.37 SUBSEQUENT EVENTS

In February 2019, LOTTO Hamburg GmbH, one of the German State Lotteries, has awarded INTRALOT Global Operations B.V. (hereinafter INTRALOT), a fully owned subsidiary company of INTRALOT S.A., a contract to replace its current gaming terminals. INTRALOT was selected as the successful technology vendor after a thorough procurement process and a proof of concept assessment. The agreement includes the delivery of 550 PHOTON gaming terminals, printers and display units including the embedded operating system software and peripheral drivers, plus an optional delivery of an additional 100 PHOTON gaming terminals over the contract duration. The agreement also covers the maintenance and support of the gaming terminals including the embedded operating system software and drivers. PHOTON is the industry's leading lottery terminal and the first full-size retailer terminal to successfully utilize image scanning technology for reading playslips and barcodes of any kind. The total absence of moving parts together with INTRALOT's patented ICON Digital Imaging technology takes efficiency, reliability, speed and ease-of-use to a whole new level, as attested by retailers all over the world. PHOTON offers the smallest footprint in its class, top-notch processing power with significantly lower power consumption and a unique modular architecture, combined with many options and add-ons such fingerprint readers, multiple connectivity technologies and external web cameras. As such, PHOTON is a high-performance and cost-effective solution for any Lottery that requires secure and flexible lottery terminals complying with the most stringent quality standards. LOTTO Hamburg is the state licensed lottery of the Free and Hanseatic City of Hamburg and offers state licensed games such as LOTTO 6aus49, GlücksSpirale, KENO, EuroJackpot and the legal sports betting games ODDSET and Toto for over 60 years. LOTTO Hamburg GmbH currently has approximately 440 Points of Sale distributed across the metropolitan area of the Free and Hanseatic City of Hamburg, where players are informed of LOTTO Hamburg's product offering and place their wagers. In 2018 the Lottery generated ca. €150 million in stakes. In September 2018, INTRALOT was awarded a 10-year contract for the provision of a new integrated Lottery System Platform with multi-mandate capability, customized to the individual needs and requirements of Lotto Hamburg as well as to the German Lottery Market, supporting LOTTO Hamburg's Strategic and Operational objectives.

Maroussi, April 15, 2019

THE CHAIRMAN OF THE BOD AND GROUP CEO	**THE DEPUTY CHIEF EXECUTIVE OFFICER AND MEMBER OF THE BOD**
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