INTRALOT Group

INTERIM FINANCIAL REPORT
(based on the Article 5 of L.3556/2007)
FOR THE PERIOD ENDED JUNE 30, 2019
ACCORDING TO
INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

CONTENTS

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

The

1. Sokratis P. Kokkalis, Chairman of the Board of Directors 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

DECLARE THAT

As far as we know:

a. the accompanying interim company and consolidated financial statements of the company "Intralot S.A." for the period January 1, 2019 to June 30, 2019, prepared according to the International Financial Reporting Standards, present truly and fairly the assets and liabilities, equity and the financial results of the Company, as well as of the companies included in the consolidation, according to par. 3 to 5 of article 5 of L. 3556/2007.

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

c. the attached Financial Statements are those approved by the Board of Directors of "Intralot S.A." at August 30, 2019 and have been published to the electronic address www.intralot.com.

Maroussi, August 30, 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

SEMI-ANNUAL BOARD OF DIRECTORS MANAGEMENT REPORT

We submit to all interested parties the interim financial statements for the first half of 2019, prepared according to the International Financial Reporting Standards as adopted by the European Union, along with the present report for the period from January 1 to June 30, 2019. The present report to the Board of Directors of the company "INTRALOT S.A. INTEGRATED LOTTERY SYSTEMS AND SERVICES" has been composed according to the provision of par. 6, article 5 of the Law 3556/2007 and to the published executive resolutions 1/434/3-7-2008 and 7/448/11.10.2007 of the Capital Market Commission' Board of Directors.

PROGRESS OF THE GROUP'S AND COMPANY'S PERFORMANCE FOR THE PERIOD 1/1-30/6/2019 & BUSINESS DEVELOPMENTS FOR THE SECOND HALF OF 2019

FINANCIAL OVERVIEW

In the first half of 2019, INTRALOT group recorded a revenue contraction of -7,6%, with group turnover amounting to €378,1 million compared to €409,1 million in the corresponding period of 2018. Earnings before interest, tax, depreciation and amortization (EBITDA), amounted to €58,7 million from €69,8 million in the first half of 2018, a decrease of -15,9%, as the Organic performance in 1H19, boosted by the Illinois contract start in mid-February, Netherland's improved performance, and a Chilean Jackpot, did not manage to absorb OPAP's new contract scope, one of Morocco's projects' discontinuation and FY18 minimum state guarantee settlement, and Russia's contract discontinuation. EBITDA was further deteriorated by the adverse FX movement across key markets (mainly Turkey, and Argentina), only partially offset by the favorable USD movement. Earnings before taxes (EBT) decreased by 91,4% to €2,0 million, while Group net profit after minority interests amounted to €-27,3 million from €-4,1 million in the first half of 2018. The above results do not include the discontinued operations of the Group's subsidiaries in Azerbaijan and Poland. Concerning parent company results, turnover decreased by 36,4% to €18,7 million in the first half of 2019, while profit after tax amounted to €-21,2 million from €-1,4 million in the first half of 2018.

In the first half of 2019, group Operating Cash-flow posted an increase and stood at €49,0 million vs. €36,7 million in 1H18. On a pro-forma basis, i.e., excluding the operating cash-flow contribution of our discontinued operations in Azerbaijan and Poland, there is an increase of €19,8 million in Cash inflows from continuing operating activities (€50,3 million in 1H19 vs. €30,5 million in 1H18 pro-forma). This is mainly driven by the improved WC €+24,6 million (€-6,2 million in 1H19 vs. €-30,8 million in 1H18) and the lower tax payments €+6,3 million vs. 1H18 (mostly timing difference), partially offset by the lower recorded EBITDA year on year €-11,1 million.

Net debt, as of June 30th, 2019, stood at €652,4 million, up €37,1 million compared to December 31st, 2018, partially impacted by the IFRS 16 adoption from January 1st, 2019, which resulted in an additional debt recognition of €15,2 million, as well as the investments in our US business (€+18,8 million towards growth & renewal CAPEX in the US), the extraordinary dividend distribution of Inteltek related to the sale of Azerinteltek, in the amount of €+11,4 million (proforma basis), the inventory purchases payments for new projects (€+4,4 million), the bonds IFRS treatment (€+2,0 million), in part offset by our Net Investments activity net impact (€-7,3 million), driven by the disposal of the polish business and the share capital return for our Korean JV.

RECENT COMPANY DEVELOPMENTS

Projects/ Significant Events

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, Inteltek, was notified that the tender of Sportoto State Organization for the management of Sports Betting was concluded, with the tender being awarded to the other bidder.

At the end of May 2019, INTRALOT announced the signing of a contract between BCLC, which operates lottery on behalf of the Government of British Columbia and INTRALOT Inc., its US subsidiary to provide a lottery central system with its novel platform Lotos X, its holistic lottery solution that includes INTRALOT's cutting edge lottery terminals with their innovative camera based technology along with additional software products, and ongoing maintenance services. The contract is for an initial 5-year term that can be extended up to another 6 years.

On June 13, 2019, INTRALOT S.A. announced the signing of a new contract for INTRALOT Maroc, a subsidiary of the INTRALOT Group acting as the Games Operator in Morocco, with La Marocaine Des Jeux et des Sports (MDJS), the state sports lottery Organization of Morocco. The contract is for an initial 8-year term that can be extended up to another 2 years with the launch of the new operation on January 1, 2020.

M&A Activity

On January 14, 2019, following the relevant announcement issued on November 19, 2018, INTRALOT Group, announces 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 € 19,5 million.

In early May 2019, INTRALOT announced the completion of the sale of its subsidiary sports betting provider, Totolotek SA, to Merkur Sportwetten GmbH, a subsidiary of the Gauselmann Group based in Espelkamp, Germany.

Organizational Changes

The INTRALOT's BoD during its meeting of January 31, 2019, announced the appointment of Messrs. Nikolaos I. Nikolakopoulos and Chrysostomos D. Sfatos as members of the Board of Directors, in replacement of Messrs. Konstantinos S. Kokkalis and Petros K. Souretis.

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 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. Also, INTRALOT announced the appointment of Mr. Fotis Konstantellos as Group Chief Commercial Officer at INTRALOT and Mr. Edward Gerekos as Group Director of Human Resources, effective April 15, 2019.

During the Extraordinary General Meeting of the Shareholders of the Company dated April 17, 2019, a new Board of Directors of the Company having a term of six years as from April 17, 2019 was elected and its independent members were nominated.

The new Board of Directors is consisted by:

1. Sokratis P. Kokkalis, Chairman and CEO, Executive member
2. Constantinos G. Antonopoulos, Vice- Chairman, Non-Executive member
3. Nikolaos I. Nikolakopoulos, Deputy CEO, Executive member
4. Chrysostomos D. Sfatos, Deputy CEO, Executive member
5. Dimitrios Ch. Klonis, Non-Executive member
6. Alexandros-Stergios N. Manos, Non-Executive member
7. Sotirios N. Filos, Independent Non-Executive member
8. Anastasios M. Tsoufis, Independent Non-Executive member
9. Ioannis P. Tsoukaridis, Independent Non-Executive member

In early May 2019, INTRALOT announced the Group restructuring and in particular concerning the Operations, Technology, Digital, and Commercial Divisions, reorganizing them with executives from the company's experienced talent pool.

In the middle of June 2019, INTRALOT announces the appointment of a new Board of Directors at its fully owned US subsidiary, INTRALOT Inc. to include three new Independent Directors:

1. Ambassador (Ret.) Thomas Miller, Non-Executive Chairman and Independent Director
2. Daniel Rappaport, Non-Executive Vice-Chairman and Independent Director
3. Nicholas Mitropoulos, Independent Director
4. Byron Boothe, Director and Interim CEO, INTRALOT Inc.
5. Nikolaos Nikolakopoulos, Director and INTRALOT Group Deputy CEO

Significant Events after the end of the 1H19 - until the date of the Financial Statements release

In July of 2019, INTRALOT successfully completed the delivery and transition to the Lotos X new central system for its historic client OPAP

At the end of July 2019, INTRALOT and OPAP signed a binding MOU for the transfer of the shares held by INTRALOT in Hellenic Lotteries (i.e. 511,500 shares or 16.5% of the total) to "OPAP Investment Limited", for a price of €20,0 million.

Also, at the end of July 2019, INTRALOT announced that its U.S. subsidiary INTRALOT Inc, has signed a new contract that will continue its nearly 10-year partnership with the District of Columbia Office of Lottery and Gaming ("DC Lottery"). INTRALOT will support the DC Lottery's commitment to maximize revenue returned to the District by modernizing the gaming system, deploying next-generation gaming technology, and ushering in the transformational new era of regulated sports wagering. The five-year contract is effective October 1, 2019 and allows for an additional five extension years.

In August 2019, Intralot Inc. has renewed its credit facility with Bank of America extending it to US$40,0 million.

FINANCIAL REVIEW

Financial Highlights[1]

The Group operating profitability dropped slightly year on year, as the Organic performance, boosted by the Illinois contract start in mid-February, Netherland's improved performance, and a Chilean Jackpot, did not manage to absorb OPAP's new contract scope, one of Morocco's projects' discontinuation and FY18 minimum state guarantee settlement, and Russia's contract discontinuation, with EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization) posting a -15,9% year over year decrease, reaching €58,7 million from €69,8 million in 1H18, which was further deteriorated by the adverse FX movement across key markets (mainly Turkey, and Argentina - only partially offset by the favorable USD movement).

Financial Data[2] *(in € million)*	**1H 2019**	**1H 2018**	**% Change**
Revenue (Sale Proceeds)	378,1	409,1	-7,6%
Licensed Operations	229,6	255,1	-10,0%
Management Contracts	44,0	48,1	-8,5%
Technology and Support Services	104,5	105,9	-1,3%
GGR	218,3	226,3	-3,5%
Gross Profit	76,3	90,5	-15,7%
Gross Profit Margin (%)	*20,2%*	*22,1%*	*-1,9pps*
EBITDA	58,7	69,8	-15,9%
EBITDA Margin on Sales (%)	*15,5%*	*17,1%*	*-1,6pps*
EBITDA Margin on GGR (%)	*26,9%*	*30,8%*	*-3,9pps*
Adjusted EBITDA[3]	60,4	61,5	-1,8%
EBT (Profit/(loss) before tax from continuing operations)	2,0	23,3	-91,4%
EBT Margin (%)	*0,5%*	*5,7%*	*-5,2pps*
NIATMI (Profit/(loss) after tax attributable to the equity holders of the parent company from continuing operations)	-27,3	-4,1	-
NIATMI (Profit/(loss) after tax attributable to the equity holders of the parent company from total operations)	-22,0	-3,1	-

Wagers Handled

[1] For additional information on the Group's performance, please also consult the Management Discussion and Analysis Report published on our website
[2] The activities of Group subsidiaries Azerinteltek AS (Azerbaijan) and Totolotek SA (Poland) are presented as discontinued operations pursuant to IFRS 5 (note 2.20.A.VIII)
[3] Calculated as Proportionate EBITDA of fully consolidated entities including EBITDA from equity investments in Italy, Peru, Greece, and Taiwan

During the six-month period ended June 30, 2019, INTRALOT systems handled €10,5 billion of worldwide wagers (from continuing operations[4]), posting a 16,4% year on year increase. North America's wagers increased by 53,5% (driven by Illinois contract launch), Africa's by 11,5%, Asia's by 10,8% (mainly Taiwan), and West Europe's by 5,2% (driven mainly by Netherlands), while East Europe's dropped by 7,9% (driven by TRY currency devaluation) and South America dropped by 1,5% (mainly attributed to ARS currency devaluation).

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

Reported consolidated **revenue** decreased by -7,6% compared to 1H18, leading to total revenue for the six-month period ended June 30, 2019, of €378,1 million:

- Sports Betting was the largest contributor to our top line, comprising 44,9% of our revenue (posting a 9,7% revenue deterioration, year over year), followed by Lottery Games contributing 42,6% to Group turnover. Technology contracts accounted for 5,8% and VLTs represented 4,2% of Group turnover while Racing constituted the 2,5% of total revenue of 1H19.

Reported consolidated revenue for the six-month period is lower by €31,0 million year over year. The main factors that drove top line performance per Business Activity are:

- €-25,5 million (-10,0%) from our Licensed Operations (B2C) activity line with the decrease attributed mainly to lower revenue in Bulgaria (€-17,8 million) and Argentina (€-8,7 million).
- €-4,1 million (-8,5%) from our Management (B2B/ B2G) contracts activity line with the decrease driven mainly by Turkey (€-1,6 million), followed by Morocco (€-1,5 million) and Russia (€-1,0 million).
- €-1,4 million (-1,3%) from our Technology and Support Services (B2B/ B2G) activity line with the decrease attributed mainly to Greece (€-10,9 million) and Argentina (€-3,1 million), partially offset by our US operations' better performance (€+11,2 million) as well as by the improved Sports Betting performance in Netherland's top line (€+1,5 million) and the maturing Chilean contract (€+1,1 million).

Gross Gaming Revenue (GGR) from continuing operations decreased by 3,5% (€-8,0 million to €218,3 million) year over year driven by:

- the drop in the non-payout related GGR (€-5,7 million vs. 1H18), following the top line performance of our Technology & Management contracts.
- the decrease in our payout related GGR (-3,4% year on year or €-2,3 million), following the lower top line performance of our licensed operations (-10,0% year on year on wagers) being significantly offset by the decreased YTD average Payout. 1H19 Average Payout Ratio was down by 2,1pps vs. 1H18 (69,9% vs. 72,0%) primarily due to Bulgaria's and Argentina's decreasing weighted contribution (payout and wagers driven for both countries), in part offset by Malta's weighted contribution (payout driven).

EBITDA[5], from continuing operations, developed to €58,7 million in 1H19, posting a decrease of 15,9% (€-11,1 million) compared to the 1H18 results. 1H19 Organic performance, boosted by the

[4] Discontinued operations and contracts ended within the current period are excluded from the analysis.
[5] Analysis in the EBITDA section excludes Depreciation & Amortization

Illinois contract start in mid-February, Netherland's improved performance, and a Chilean Jackpot, did not manage to absorb OPAP's new contract scope, one of Morocco's projects' discontinuation and FY18 minimum state guarantee settlement, and Russia's contract discontinuation. EBITDA was further deteriorated by the adverse FX movement across key markets (mainly Turkey, and Argentina), only partially offset by the favorable USD movement.

The main drivers for the decrease in 1H19 EBITDA, besides the 1H19 GGR decrease, are:

- the worse OPEX margin (-4,1% over GGR); primarily driven by the deterioration of the respective B2B/ B2G OPEX margin as a result of the increased selling & administrative expenses in the US (Illinois contract start driven), coupled with Morocco's FY18 minimum state guarantee settlement and the increased marketing expenses related to Turkey's Online Sport Betting activity.
- the deterioration in the Rest of Cost of Sales margin, excluding payout and depreciation, (-2,6% over GGR) driven largely by our USA operations (Illinois expenses recorded from the beginning of the year through the project launch date in February 2019), and the smaller scope of the OPAP contract with freed resources allocated towards the successful and efficient delivery of our products under our contracts' pipeline, in part offset by the termination of a leasing contract in the Netherlands.
- partially offset by the Taxes & Agent Fees margin (+1,4% over GGR), driven largely by the improvement in the respective B2C margin following the lower sales and the significantly lower payout ratio in Argentina (a part of the taxes and fees calculated as % on sales).
- and the improvement in the Other operating income, which totaled €9,9 million compared to €7,1 million in 1H18, mainly driven by our US operations.

On a yearly basis, EBITDA margin on sales, has been mainly impacted by the worsening margins of the B2B/ B2G segment, decreasing to 15,5% compared to 17,1% in 1H18 mainly due to OPAP's new contract scope and the refocus of HQ resources, offset in part by the Illinois contract start.

Adjusted EBITDA presented a year over year a decrease of -1,8% concluding to €60,4 million from €61,5 million in 1H18.

Earnings before Tax in 1H19 totaled €2,0 million, significantly lower compared to €23,3 million in 1H18. The deterioration was mainly driven by the impact of the decreased EBITDA described above (year on year: €-11,1 million), the increased D&A (€-9,4 million), due to increased CAPEX during the last two years, as well as the IFRS 16 first time application, the higher impairment of assets for the period (€-3,5 million vs. 1H18; driven by Inteltek's contract discontinuation post August 2019), and the slightly worse Net Interest results (€-1,3 million). However, the decrease at EBT level was partially counterbalanced by the share of profit from the equity method consolidation of associates (€+3,5 million vs. 1H18), driven by Gamenet's improved performance, following Goldbet's acquisition.

NIATMI (*Net Income After Tax and Minority Interest*) from continuing operations in 1H19 concluded at €-27,3 million compared to €-4,1 million in 1H18, while NIATMI from total operations in 1H19 amounted to €-22,0 million (lower by €18,9 million vs. a year ago), partially affected by the impact of contribution of the discontinued operations in both periods (€+4,3 million vs. 1H18).

Cash Flow & Net Debt

Statement of Financial Position/Cash Flows *(in € million)*	**1H19**	**FY18**
Total Assets	897,8	944,1
Total Equity	-4,3	34,4
Cash & Cash Equivalents	128,7	162,5
Partnerships[6]	48,4	77,8
All other Operating Entities (with revenue contracts) & HQ	80,3	84,7
Net Debt	652,4	615,3
	1H19	**1H18**
Operating Cash Flows	49,0	36,7
Net Capital Expenditure	-31,7	-42,4

Operating Cash-flow increased at €49,0 million in 1H19 vs. €36,7 million in 1H18. Excluding the operating cash-flow contribution of our discontinued operations (Azerbaijan and Poland), the cash-flow from operating activities is higher by €19,8 million (on a year on year continuing basis; €50,3 million vs. €30,5 million) and is mainly driven by the favorable working capital movement of €+24,6 million (€-6,2 million in 1H19 vs. €-30,8 million in 1H18), and the lower tax payments, €+6,3 million vs. 1H18 mostly timing variance, partially offset by the lower recorded EBITDA year on year (€-11,1 million). Improved WC vs. a year ago is largely driven by the impact of the long due interest-bearing liability repayment occurred in 2Q18 (€-13,0 million), an advance payment received for our project in Netherlands, and a positive timing variance from withholding tax payments in Bilyoner.

Adjusted Free Cash Flow[7] in 1H19 increased by €4,5 million to €15,8 million, compared to €11,3 million a year ago. Main contributors to this variance were the lower tax payments (mainly timing variance), the reduced Maintenance CAPEX needs (in part due to timing) and the better net dividends paid mainly due to timing & FX impacts (Argentina & Turkey[8]) and higher dividends received from Peru, partially offset by the lower recorded EBITDA (year on year).

Net Capex in 1H19 was €31,7 million compared to €42,4 million in 1H18, with 1H19 burdened by US projects' leftover outflows. Headline CAPEX items in 1H19 include €19,6 million in the US, mainly towards the Illinois new contract and Ohio and Arkansas contracts' renewals, and €6,3 million towards R&D. All other net additions amount to €5,8 million for 1H19. Maintenance CAPEX for 1H19 stood at €5,8 million, or 18.2% of the overall capital expenditure in 1H19 (€31,8 million - 1H18; €11,7 million or 27,4%).

Net Debt, as of June 30, 2019, stood at €652,4 million, up €37,1 million compared to December 31, 2018, partially impacted by the IFRS 16 adoption from January 1, 2019, which resulted in an additional

[6] Refers to stakes in Turkey (Inteltek & Bilyoner), Bulgaria (Eurofootball Group & Eurobet Group) & Argentina
[7] Calculated as EBITDA – Maintenance CAPEX – Cash Taxes – Net Cash Finance Charges (excluding refinancing charges – Net Dividends Paid; all finance metrics exclude the impact of discontinued operations.
[8] Distributed dividends from Inteltek (Turkey) in the Adjusted Free Cash Flow calculation are on a proforma basis and exclude the impact from the Azerbaijan sale (€11,4 million).

debt recognition of €15,2 million, as well as the investments in our US business (€+18,8 million towards growth & renewal CAPEX in the US), the extraordinary dividend distribution of Inteltek related to the sale of Azerinteltek, in the amount of €+11.4m (proforma basis), the inventory purchases payments for new projects (€+4,4 million), the bonds IFRS treatment (€+2,0 million), in part offset by our Net Investments activity net impact (€-7,3 million), driven by the disposal of the polish business and the share capital return for our Korean JV.

Cash and cash equivalents at the end of the 1H19 period decreased by €33,8 million vs. FY18; of the Cash & Cash Equivalents at the end of June 30th 2019, €48,4 million are located in our partnerships, and the rest across all other Operating entities (with revenue contracts) and HQ (€80,3 million), with an amount of approximately €25,0 - €30,0 million allotted as Working Capital in the operating entities (with revenue contracts).

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

Financial Ratios[9]	H1 2019
Leverage ratio	5,98
Interest Cover ratio	2,72

Our Key Gaming Markets Performance[10]

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 12 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). 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

[9] LTM EBITDA in 1H19 Financial ratios has been calculated on a pro-forma basis to adjust for a full year IFRS 16 adoption impact (estimate)

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

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. Furthermore, in November 2018 we renewed our contract with the New Mexico Lottery for 2 more years up to November 2025 with the addition of a Sports Lottery product. Recently, INTRALOT Inc. has renewed its existing contract with the Washington DC Lottery for 5 years with a 5-year extension option. The new contract is effective October 1, 2019 and INTRALOT will continue to supply the Washington DC Lottery with its LOTOS gaming and instant ticket management system, as well as support the Lottery's opening to the regulated sport betting wagering market. 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 addition, Ohio's cooperative services program (CSP), an instant tickets product management contract where we were accountable for the warehousing, distribution and telemarketing of instant tickets to retailers across the state, was not renewed and ended on June 30, 2019.

In 1H2019, our sales reached €54,0 million, posting a significant increase of 28,0%, over the prior year, when our revenue amounted to €42,2 million. This over-performance is mainly attributed to the successful launch of the Illinois contract which kicked off on February 18, 2019, followed by higher numerical sales (POWERBALL jackpot occurrence in Q1 2019), along with a favorable USD movement (c.6,6% Euro depreciation versus a year ago — in YTD average terms). The aforementioned drivers have fully absorbed the South Carolina contract expiration as well as the one-off equipment sale in Massachusetts in June 2018. Revenue of the United States for the six months ended June 30, 2019 stands for the 14,3% of the Group's total revenue.

Key Consolidated Financial Figures[11]	**1H 2019**	**1H 2018**	**Δ%**
(in € million)			
Revenue	54,0	42,2	28,0%
GGR	54,0	42,2	28,0%
EBITDA	17,3	12,5	38,4%
CAPEX (Paid)	19,6	16,4	19,5%

Key Standalone Balance Sheet Figures	**1H 2019**	**FY 2018**
INTRALOT Inc - USA		
(in € million)		
Assets	167,7	153,2
Liabilities	91,7	77,1
Cash – Cash Equivalents	2,4	5,9
DC09 LLC		
(in € million)		
Assets	4,4	4,2
Liabilities	11,2	10,7
Cash – Cash Equivalents	0,5	0,1

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

[11] 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

Hub), as well as our corporate headquarters, which supports the wider INTRALOT ecosystem, employing approx. 720 employees at the end of June 30, 2019. As such, HQ expenses serve the different projects of INTRALOT S.A, including among others the Greek projects, but the majority of the effort is distributed towards servicing and supporting the pipeline of won and upcoming contracts, as well as supporting INTRALOT's subsidiaries and R&D efforts.

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. However, we recently signed a binding MOU with OPAP for selling our 16,5% stake in Hellenic Lotteries SA. INTRALOT will also sign an amendment to its existing services provision agreement with Hellenic Lotteries S.A. under renegotiated terms and conditions.

Revenue from Greek operations in 1H2019 was €9,8 million compared to €20,7 million in prior year, accounting for 2,6% of the Group's total revenue. The top line deficit in 1H2019 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.

Key Consolidated Financial Figures	**1H 2019**	**1H 2018**	**Δ%**
(in € million)			
Revenue	9,8	20,7	-52,7%
GGR	9,8	20,7	-52,7%
EBITDA	-17,0	-4,5	-277,8%
CAPEX (Paid)	6,5	8,8	-26,1%

Key Standalone Balance Sheet Figures	**1H 2019**	**FY 2018**
INTRALOT SA		
(in € million)		
Assets	369,5	405,3
Liabilities	332,5	348,5
Cash – Cash Equivalents	24,1	33,1
INTRALOT Services SA		
(in € million)		
Assets	0,6	2,9
Liabilities	0,1	2,4
Cash – Cash Equivalents	0,0	0,1
Betting Company SA - Greece		
(in € million)		
Assets	8,5	6,1
Liabilities	1,7	2,1
Cash – Cash Equivalents	3,0	1,0
INTRALOT Interactive - Greece		
(in € million)		
Assets	0,8	1,0
Liabilities	0,7	0,9
Cash – Cash Equivalents	0,4	0,4

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 8.200 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 14 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 2018 we exercised the extension in two more provinces (Catamarca and Santiago del Estero). Looking ahead, we expect to renew the contracts in Santa Cruz and in Tierra de Fuego within H2 2019, thus, sustaining our footprint in the local market.

Our revenues from the Argentina facility management business in 1H2019 reached €8,1 million, versus €11,2 million in 1H2018. The lottery operator business generated sales of €18,1 million in 1H2019, compared to €26,8 million in 1H2018. 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 1H2019 was €26,2 million compared to €38,0 million during the same period last year. Revenue in the six months ended June 30, 2019 was 6,9% of the INTRALOT Group’s total revenue.

Key Consolidated Financial Figures[12]	**1H 2019**	**1H 2018**	**Δ%**
(in € million)			
Revenue	26,2	38,0	-31,1%
GGR	16,1	21,8	-26,1%
EBITDA	5,8	7,6	-23,7%
CAPEX (Paid)	0,6	0,7	-14,3%

Key Standalone Balance Sheet Figures	**1H 2019**	**FY 2018**
Tecno Accion SA - Argentina		
(in € million)		
Assets	10,6	10,1
Liabilities	3,0	4,3
Cash – Cash Equivalents	1,1	0,7
TecnoAccion Salta SA		
(in € million)		
Assets	2,7	2,1
Liabilities	1,5	1,4
Cash – Cash Equivalents	1,7	0,9

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.

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

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 in 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.

Revenues for 1H2019 from our Oceania operations have increased by 5,0%, amounting to €10,6 million versus €10,1 million in 1H2018. This revenue surplus is driven by better performance of our Australian entities compared to prior year (increased CRs, CPI fee adjustment and higher numbers of connected machines), despite the unfavorable FX movement (Euro appreciation of c.1,9% versus the Australian Dollar – based on YTD average terms). On the other hand, our business in New Zealand has remained rather stable year over year. Revenue in the six months ended June 30, 2019 was 2,8% of the INTRALOT Group's total revenue.

Key Consolidated Financial Figures	**1H 2019**	**1H 2018**	**Δ%**
(in € million)			
Revenue	10,6	10,1	5,0%
GGR	10,6	10,1	5,0%
EBITDA	7,0	6,2	12,9%
CAPEX (Paid)	0,2	0,6	-66,7%

Key Standalone Balance Sheet Figures	**1H 2019**	**FY 2018**
INTRALOT Gaming Services Pty Ltd (IGS)		
(in € million)		
Assets	14,1	13,0
Liabilities	5,7	6,3
Cash – Cash Equivalents	2,7	2,4
INTRALOT Australia PTY Ltd - Australia		
(in € million)		
Assets	6,2	6,0
Liabilities	1,2	1,1
Cash – Cash Equivalents	0,1	0,1
INTRALOT New Zealand Ltd - New Zealand		
(in € million)		
Assets	3,9	3,2

Liabilities	2,0	0,9
Cash – Cash Equivalents	2,0	1,2

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. Thus, the existing contract ends on August 28th, 2019.

In addition, we currently own approximately 50,01% of Bilyoner, one of 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 3,4 million registered players as of June 30, 2019. The main contract has been extended through August 2019 with the renewal linked to the transition to the new era for the Turkish sports betting market. However, we expect it to be renewed due to commercial value principles. Nonetheless, no assurances can be made that such an extension or renewal will occur.

In general, the Sport Betting Market grew by c.+15,0% in local currency year over year, while the shift towards Online Sports Betting (approx. 65,0% in the sales mix vs. c.61,0% a year ago) continued. The benefit of the Sports Betting market expansion and mix change has been fully offset by the devaluation of the Turkish Lira (c.28.2% Euro appreciation versus a year ago – in average YTD terms). Inteltek's sales dropped from €19,5 million in 1H2018 to €16,7 million in 1H2019, while on the contrary, Bilyoner's revenue increased to €14,6 million in 1H2019 from €13,4 million over the same period last year. Both operations were heavily affected by the local currency devaluation as explained above, while in Turkish Lira terms they showcased an aggregate c.+21,9% increase vs. 1H2018, 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 €31,3 million in 1H2019, compared to €32,9 million in 1H2018, representing 8,3% of the INTRALOT Group's total revenue for the six months ended June 30, 2019. The decrease at EBITDA level is partially also driven by the increased marketing expenses related to Bilyoner's Online Sport Betting activity.

Key Consolidated Financial Figures[13]	**1H 2019**	**1H 2018**	**Δ%**
(in € million)			

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

Revenue	31,3	32,9	-4,9%
GGR	31,3	32,9	-4,9%
EBITDA	15,1	16,5	-8,5%
CAPEX (Paid)	1,1	0,7	57,1%

Key Standalone Balance Sheet Figures	**1H 2019**	**FY 2018**
Inteltek Internet AS - Turkey		
(in € million)		
Assets	37,0	68,1
Liabilities	17,9	19,8
Cash – Cash Equivalents	34,0	63,7
Bilyoner AS - Turkey		
(in € million)		
Assets	12,9	14,6
Liabilities	7,8	5,1
Cash – Cash Equivalents	6,5	7,3
Cash – Cash Equivalents in hard currency (for both entities)	33,6	57,7

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. Following an international RFP process, we renewed our contract for an initial 8-year period that can be extended up to another 2 years. Under this new contract, INTRALOT Maroc will continue to supply MDJS with cutting edge lottery terminals and software solutions and will provide technical support and services to the Organization, the retailers and the players. In addition, INTRALOT Maroc will design and implement the marketing plans, will expand the retail network to 1.600 POS and will further develop MDJS' sales channels to enhance their performance and players' omni-channel experience.

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 1H2019, INTRALOT Maroc generated revenues of €12,7 million, while in 1H2018 the revenue amounted to €14,1 million. The main driver behind this decline is the discontinuation of the contract with SGLN, only partially mitigated by a modest growth in Sports Betting revenue and the top line boost through the successful introduction of virtual football. Revenue for the six months ended June 30, 2019 was 3,4% of our Group's total revenue. The decrease at EBITDA level is driven not only by the SGLN contract discontinuation but also by the FY18 minimum state guarantee settlement in 2Q2019.

Key Consolidated Financial Figures	1H 2019	1H 2018	Δ%
(in € million)			
Revenue	12,7	14,1	-9,9%
GGR	12,7	14,1	-9,9%
EBITDA	2,2	6,9	-68,1%
CAPEX (Paid)	0,3	0,7	-57,1%

Key Standalone Balance Sheet Figures	1H 2019	FY 2018
INTRALOT Maroc SA		
(in € million)		
Assets	15,2	20,2
Liabilities	19,9	24,7
Cash – Cash Equivalents	7,2	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 800 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 of the internet gaming legislation in 2012, we were awarded a 10-year internet betting license in 2014, which we expect to employ in the near future.

Eurobet offers numerical games and scratch tickets through a network of more than 1.000 Points of Sales countrywide. The company offers the following games: Eurochance (started in 2006), Lotomania (started in 2010), scratch-cards (started in 2011), novelty betting (started in 2012), Poker Chance (started in 2014) and Virtual Football 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. 3.300 points of sale. The company also has a presence in Bulgaria's online gambling sector.

Eurofootball Group 1H2019 revenue amounted to €119,8 million, while in 1H2018 revenues reached €137,4 million. This drop in sales is mainly attributed to a conservative payout strategy. On the other hand, Eurobet Group posted revenue of €29,2 million in 1H2019 standing at prior year's levels whereby revenue amounted to €29,3 million. Our overall revenue from Bulgaria for 1H2019 was €149,0 million compared to €166,7 million in 1H2018, with revenue net of gaming remaining relatively stable year over year. Revenue from Bulgaria in the six months ended June 30, 2019, was 39,4% of the INTRALOT Group's total revenue.

Key Consolidated Financial Figures[14]	1H 2019	1H 2018	Δ%
(in € million)			
Revenue	149,0	166,7	-10,6%
GGR	37,5	37,6	-0,3%
EBITDA	13,5	12,7	6,3%
CAPEX (Paid)	0,1	0,2	-50,0%

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

Key Standalone Balance Sheet Figures[15]	**1H 2019**	**FY 2018**
Eurofootball Ltd - Bulgaria		
(in € million)		
Assets	15,9	26,9
Liabilities	2,2	1,9
Cash – Cash Equivalents	4,9	5,0
Eurobet Ltd - Bulgaria		
(in € million)		
Assets	4,0	4,5
Liabilities	2,6	3,1
Cash – Cash Equivalents	0,2	0,2

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 two national lottery games: Super 5 and Lotto), fixed-odds betting both pre-game and live, a KENO game, a Bingo 75 and a Fast Bingo game, four horse racing games and instant tickets in a network of approximately 220 POS.

The revenue of Maltco Lotteries in 1H2019 remained around prior year's levels, amounting to €48,3 million, whereas revenue net of gaming payout posted a minor decline, reaching €18,6 million in 1H2019, compared to €18,9 million in 1H2018. Our total revenue from Malta for the six months ended June 30, 2019, was 12,8% of the INTRALOT Group's total revenue.

Key Consolidated Financial Figures	**1H 2019**	**1H 2018**	***Δ%***
(in € million)			
Revenue	48,3	48,3	-
GGR	18,6	18,9	-1,6%
EBITDA	6,5	6,4	1,6%
CAPEX (Paid)	0,1	0,1	-
Key Standalone Balance Sheet Figures	**1H 2019**	**FY 2018**	
Maltco Lotteries Ltd - Malta			
(in € million)			
Assets	25,7	30,2	
Liabilities	8,7	15,0	
Cash – Cash Equivalents	9,9	13,1	

PROSPECTS AND CHALLENGES FOR THE SECOND HALF OF 2019

In the first half of 2019, INTRALOT's performance is still absorbing the ripple effect of last year's developments, showcasing though improvement in its operating cash flows, in part also due to the successful launch of the Illinois Lottery landmark project in February of 2019, which will support in offsetting these effects incrementally throughout the year, as well as support in absorbing the discontinuation of Inteltek's contract post August 2019.

Within 2019 and in line with its strategy, INTRALOT has launched a series of initiatives to implement a plan of cost containment, operational efficiencies and organic growth. On the organic growth front, we have been very successful by adding sport betting wagering to the renewal of our existing contract

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

with the District of Columbia, as well as securing a new flagship contract in Canada with British Columbia Lottery Corporation. In addition, after an international competition, we have also signed the renewal of our Sports Betting contract in Morocco. For the second half, our efforts will focus on the prominent US Sport Betting market, building on the first half's momentum.

On the cost containment front we have already taken measures of cost reduction (OPEX and CAPEX) that will lead in savings in excess of €10,0 million, on a recurring, annualized basis. These savings are also supported by the recent reorganization of our Technology division aiming to boost our operational efficiencies and strengthen our digital operations capabilities. We expect to see the impact of these initiatives materializing in Q3 and onwards.

INTRALOT's recent and heavy investments towards the development of its next-generation products and services for lottery digital transformation have led to the launch of Lotos X, its new Lottery platform, and INTRALOT Orion, its new sports betting platform. 2019 has marked the first installation of INTRALOT's new Lotos X lottery platform to its long-lasting client OPAP, a milestone for INTRALOT's product portfolio. On that front, in the second half and in 2020 we expect to successfully continue the deployment of our 3rd generation lottery platform under our new contracts pipeline as well as ensure the successful launch of our new sports betting platform, INTRALOT Orion, under our new contract in the District of Columbia.

As part of our strategy, we remain committed towards the continuing disinvestments from non-core assets when market conditions are favorable. Following the successful disengagement from the Polish market within Q2, in the second part of 2019 we expect to finalize the disposal of our 16,5% participation in Hellenic Lotteries for a consideration of €20,0 million.

Management remains focused on INTRALOT's customer centric mission and the improvement in the free cash flow generation, remaining committed to the target set for 2019 being a close to neutral year for the cash flow attributable to the to the Shareholders of the parent company[16]. In addition, the management will also focus on rectifying the negative total equity by examining all available options in the second part of 2019.

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.

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

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

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

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

The framework incorporates the following components:

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

Description of significant risks and uncertainties

FINANCIAL RISKS

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

Credit risk

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

Liquidity risk

Prudent liquidity 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 as at 30/6/2019 and 31/12/2018:

GROUP	30/6/2019			
Financial Liabilities:	0-1 years	2-5 years	> 5 years	Total
Creditors and other liabilities [1]	77.868			**77.868**
Other long term liabilities [1]		577		**577**
Bonds (Senior Notes) [2]	42.863	379.263	507.994	**930.120**
Other Loans and lease liabilities [3]	21.315	16.929	3.110	**41.354**
Total	**142.046**	**396.769**	**511.104**	**1.049.919**

GROUP	31/12/2018			
Financial Liabilities:	0-1 years	2-5 years	> 5 years	Total
Creditors and other liabilities [1]	95.739			**95.739**
Other long term liabilities [1]		671	10	**681**
Bonds (Senior Notes) [2]	42.863	387.700	520.987	**951.550**
Other Loans and lease liabilities [3]	28.860	10.224	927	**40.011**
Total	**167.462**	**398.595**	**521.924**	**1.087.981**

[1] Excluding "Deferred Income" and refer to liabilities balances as of 30/06/2019 and 31/12/2018 as recognised in the relevant Statements of Financial Position, measured at amortized cost.
[2] Refer to Facilities "A" and "B" of note 2.17 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 2.17 (excluding the above Bonds) as of 30/06/2019 & 31/12/2018 and is stated as has been recognized to the relevant Statements of Financial Positions, measured at amortized cost. As at December 31, 2018 impact of the first application of IFRS 16 as of 1/1/2019 is excluded, but is disclosed in the note 2.1.4.

COMPANY [4]	30/6/2019			
Financial Liabilities:	0-1 years	2-5 years	> 5 years	Total
Creditors and other liabilities	35.603			**35.603**
Other long term liabilities				**0**
Loans and lease liabilities (note 2.17)	635	239.502	39.227	**279.364**
Total	**36.238**	**239.502**	**39.227**	**314.967**

COMPANY [4]	31/12/2018			
Financial Liabilities:	0-1 years	2-5 years	> 5 years	Total
Creditors and other liabilities	45.125			**45.125**
Other long term liabilities				**0**
Loans and lease liabilities		248.645	37.735	**286.380**
Total	**45.125**	**248.645**	**37.735**	**331.505**

[4] Excluding "Deferred Income" and refer to liabilities balances as of 30/06/2019 and 31/12/2018 as recognised in the relevant Statements of Financial Position, measured at amortized cost.

Market Risk

1) Foreign Exchange risk

Foreign exchange risk arises from changes in currency exchange rates that affect Group's foreign currency positions. Group transactions are carried out in more than one currency and hence there is a high risk exposure from exchange rate changes against the base currency, the Euro. However, the Group's activity in many countries generates an advantage, as more portfolio diversification is achieved and, therefore, better exchange rate risk management. The main foreign exchange translation rates of the financial statements of foreign subsidiaries were:

- **Statement of Financial Position**:

	30/6/2019	31/12/2018	Change
EUR / USD	1,14	1,15	-0,87%
EUR / AUD	1,62	1,62	-
EUR / TRY	6,57	6,06	8,42%
EUR / PEN	3,74	3,86	-3,11%
EUR / ARS	48,3	43,1	12,06%
EUR / PLN	4,25	4,3	-1,16%
EUR / BRL	4,35	4,44	-2,03%

- **Income Statement**:

	Avg. 1/1-30/6/2019	Avg. 1/1-30/6/2018	Change
EUR / USD	1,13	1,21	-6,61%
EUR / AUD	1,6	1,57	1,91%
EUR / TRY	6,36	4,96	28,23%
EUR / PEN	3,75	3,93	-4,58%
EUR / ARS[1]	48,3	26,08	85,20%
EUR / PLN	4,29	4,22	1,66%
EUR / BRL	4,34	4,14	4,83%

[1] The Income Statement of the first half of the Group's subsidiaries operating in Argentina was converted at the closing rate of 30/6/2019 instead of the Avg. 1/1-30/6/2019 pursuant to IAS 21, paragraph 42a, for hyperinflationary economies.

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

Sensitivity Analysis in Currency movements amounts of the period 1/1–30/6/2019 (in thousand €)			
Foreign Currency	**Currency Movement**	**Effect in Earnings before taxes**	**Effect in Equity**
USD:	5%	-112	3.646
	-5%	101	-3.299
TRY:	5%	1.037	796
	-5%	-938	-721
PEN:	5%	68	37
	-5%	-61	-33
BRL:	5%	-8	-1.450
	-5%	7	1.312
CNY:	5%	-65	102
	-5%	58	-92
ARS:	5%	165	383
	-5%	-149	-347

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

2) Interest rate risk

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

The Group's exposure to the risk of changes in market interest rates relates primarily to long-term borrowings of the Group's with floating rate. The Group also manages interest rate risk by having a balanced portfolio of loans with fixed and floating rate borrowings. On June 30, 2019, taking into account the impact of financial hedging products, approximately 98% of the Group's borrowings are at a fixed rate (2018: 97%) and average duration of about 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 (overdraft excluded), as follows:

Sensitivity Analysis of Group Loans in Interest Rates Changes

Amounts for 1/1-30/6/2019	Change in interest rate	Effect on profit before tax
Euribor 6M	+/- 1%	0

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

3) High leverage risk

INTRALOT's ability to incur significant additional amounts of debt so as to finance its operations and expansion depends on capital market conditions that influence the levels of new debt issues interest rates and relevant costs. Furthermore, INTRALOT may be able to incur substantial additional debt in the future, however, under the Senior Notes terms INTRALOT will be able to incur additional debt so long as on a pro forma basis its consolidated fixed charge coverage ratio is at least 2,00 (30/06/2019: approximately 3,12 on a pro forma basis after IFRS 16 application), and will be able to incur additional senior debt so long as on a pro forma basis its total net debt to EBITDA (EBITDA/ "Consolidated Cash Flow") (Senior Leverage ratio) is not more than 3,75 (30/6/2019: approximately 5,14 on a pro forma basis after IFRS 16 application). If new debt is added to INTRALOT's existing debt levels, the risks associated with high leverage described above will increase, including the possible inability to service its lending.

OPERATING RISKS

Winners' payouts in sports betting

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

Gaming sector and economic activity

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

Gaming Taxation

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

Regulatory risk

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

Technological changes

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

Emerging markets risk

INTRALOT is active and offers its products and services in many countries worldwide, being active in fast-growing and emerging markets. Possible social, political, legal and economic instability in these markets, such as the political turmoil in Turkey in 2016, may pose significant risks to the Group's ability to conduct and expand its operations in these markets. Although the management believes that its activities in Turkey have not been affected, there are no guarantees that such events will not have an impact in the future.

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	
	01/01/2019-30/6/2019	01/01/2018-30/6/2018	01/01/2019-30/6/2019	01/01/2018-30/6/2018
Intracom Holdings Group	51	62	2.051	1.887
Hellenic Lotteries S.A.	4.088	4.410	0	0
Lotrich Information Co LTD	1.058	1.117	0	0
Intralot de Peru SAC	1.127	1.293	0	0
Other related parties	3	352	5.099	3.434
Executives and members of the board	0	0	3.765	3.625

Total	6.327	7.234	10.915	8.946

Company	Income		Expense	
	01/01/2019-30/6/2019	01/01/2018-30/6/2018	01/01/2019-30/6/2019	01/01/2018-30/6/2018
Hellenic Lotteries S.A.	2.436	2.594	0	0
Intracom Holdings Group	0	0	2.051	1.762
Intralot Finance UK LTD	0	0	7.702	6.687
Inteltek Internet AS	8.196	3.739	0	0
Bilyoner Interaktif Hizmelter A.S.	3.962	5.631	0	0
Intralot Gaming Services PTY	2.018	1.815	16	0
Lotrich Information Co LTD	1.267	1.454	0	0
Intralot de Peru SAC A.E.	2.165	1.704	0	0
Intralot Services S.A.	79	42	426	1.751
Intralot Inc	2.083	2.393	0	1
Other related parties	5.207	5.390	5.193	2.140
Executives and members of the board	0	0	2.460	2.195
Total	**27.413**	**24.762**	**17.848**	**14.536**

Group (total operations)	Receivable		Payable	
	30/6/2019	31/12/2018	30/6/2019	31/12/2018
Intracom Holdings Group	1.945	7.721	5.687	4.131
The Players Group Limited	0	0	0	1.680
Lotrich Information Co Ltd	1.462	2.573	0	0
Gamenet Group S.P.A.	3.500	3.500	0	0
Hellenic Lotteries S.A.	958	886	0	0
Other related parties	8.124	7.792	2.077	4.515
Executives and members of the board	29	23	127	456
Total	**16.018**	**22.495**	**7.891**	**10.782**

Company	Receivable		Payable	
	30/6/2019	31/12/2018	30/6/2019	31/12/2018
Intracom Holdings Group	84	5.919	5.035	3.477
Hellenic Lotteries S.A.	958	886	0	0
Lotrich Information Co Ltd	1.462	2.573	0	0
Intralot Do Brazil Ltda	25.988	25.129	0	0
Intralot Operations Ltd	266	1.250	0	0
Betting Company S.A.	818	801	4.264	3.380
Loteria Moldovei S.A.	1.513	1.513	0	0
Maltco Lotteries Ltd	775	1.419	11	0
Pollot Sp.Zoo	1.397	3.896	0	0
Lotrom S.A.	1.663	1.663	13.297	13.495
Inteltek Internet As	784	1.504	0	0
Intralot Inc	19.460	20.307	228	226
Intralot Maroc S.A.	2.264	2.070	0	0
Intralot Finance Uk Ltd	0	0	224.102	235.117
Intralot Gaming Services Pty	1.940	3.477	15	9
Intralot Beijing Co Ltd	0	0	1.961	1.949
Totolotek S.A.	0	1.326	0	0
Intralot Betting Operations Russia Ltd	1.105	1.105	0	0
Intralot Services S.A.	84	2.166	522	2.578
Ilot Capital Uk Ltd	0	0	26.507	25.632
Ilot Investment Uk Ltd	0	0	26.507	25.632
Intralot Global Operations B.V.	938	3.490	0	53
Intralot Chile Spa	926	2.047	0	0
Other related parties	6.370	10.352	519	3.982
Executives and members of the board	0	0	0	220
Total	**68.795**	**92.893**	**302.968**	**315.750**

From the company profits for the period 1/1-30/6/2019, €12.618 thousand (1/1-30/6/2018: €9.217 thousand) refer to dividends from the subsidiaries Inteltek Internet AS and Bilyoner Interaktif Hizmelter A.S. as well as the associated companies Intralot de Peru SAC and Lotrich Information Co LTD.

The BoD and Key Management Personnel transactions and fees for the Group and the Company for the year 1/1-30/6/2019 were €3,8 million and €2,5 million respectively (1/1-30/6/2018: €3,6 million and €2,2 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 free cash flow and,
- Net Debt.

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	
	1/1-30/6/2019	**1/1-30/6/2018**
Sale proceeds	378.071	409.061
Winners Pay out	-159.801	-182.717
Net sales after winners payout (GGR)	**218.270**	**226.344**

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 EBIT & EBITDA (continuing operations):	**GROUP 1/1-30/6/2019**	**1/1-30/6/2018**
Operating profit/(loss) before tax	**2.044**	**23.300**
Profit/(loss) to net monetary position	-435	0
Profit/(loss) equity method consolidation	-3.503	-3
Foreign exchange differences	-4.370	-4.236
Interest and similar income	-3.462	-3.321
Interest and similar expenses	26.831	25.259
Income / (expenses) from participations and investments	-2.833	-2.733
Gain / (loss) from assets disposal, impairment loss and write-off of assets	3.669	169
EBIT	**17.941**	**38.435**
Depreciation and amortization	40.732	31.377
EBITDA	**58.673**	**69.812**

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 2019 and 2018 the most important associates and other companies are identified as: Gamenet Group S.p.A., Intralot de Peru SAC, Hellenic Lotteries S.A. and Lotrich Information Co. LTD. The relevant calculations are presented below:

	GROUP	
	1/1-30/6/2019	1/1-30/6/2018
EBITDA	**58.673**	**69.812**
"Proportionate" EBITDA of the Group	38.716	48.809
"Proportionate" EBITDA of the most important associates and other companies of the Group	21.671	12.691
Adjusted EBITDA	**60.387**	**61.500**

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 and Totolotek SA). 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	
	1/1-30/6/2019	1/1-30/6/2018
EBITDA	**58.673**	**69.812**
Maintenance Capital Expenditure	-5.279	-11.338
Income tax paid	-3.533	-9.791
Interest and similar expenses paid	-23.992	-24.926
Refinancing costs paid	320	1.692
Interest received	3.013	3.975
Dividends received	8.274	6.810
Dividends paid[1]	-21.648	-24.886
Adjusted free cash flows	**15.828**	**11.348**

[1]In 2019 in Dividends paid have been excluded the proportion of the dividend paid by Inteltek Internet AS deriving from the sale of the discontinued business in Azerbaijan.

Reconciliation with Group Cash Flow Statement:

GROUP 1/1-30/6/2019	Total Operations	Discontinued Operations	Continuing Operations
Income tax paid	-3.533	0	-3.533
Interest and similar expenses paid	-24.076	-84	-23.992
Interest received	3.014	1	3.013
Dividends received	8.274	0	8.274
Dividends paid	-33.028	-11.380	-21.648

GROUP 1/1-30/6/2018	Total Operations	Discontinued Operations	Continuing Operations
Income tax paid	-13.898	-4.107	-9.791
Interest and similar expenses paid	-25.091	-165	-24.926
Interest received	4.080	105	3.975
Dividends received	6.810	0	6.810
Dividends paid	-27.752	-2.866	-24.886

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 lease liabilities" the "Short-term debt" and the "Short-term lease liabilities" and deducting from total the “Cash and cash equivalents”.

	GROUP	
	30/6/2019	31/12/2018
Long-term debt	736.430	735.297
Long term lease liabilities	11.695	1.797
Short-term debt	27.052	38.929
Short-term lease liabilities	5.919	1.726
Total debt	**781.096**	**777.749**
Cash and cash equivalents	-128.712	-162.461
Net debt	**652.384**	**615.288**

From the information stated above and from the Financial Statements you are able to have a complete picture of the Group for the year 1/1/2019-30/6/2019.

Maroussi, August 30, 2019

Sincerely,

President of the BoD and Group CEO

Socrates P. Kokkalis

Independent Auditors' Review Report

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

Report on Review of Interim Financial Information

Introduction

We have reviewed the accompanying interim condensed separate and consolidated statement of financial position of INTRALOT SA INTEGRATED LOTTERY SYSTEMS AND SERVICES as at June 30, 2019 and the relative condensed statements of income and other comprehensive income, changes in equity and cash flows for the six-month period then ended, as well as the selected explanatory notes, that constitute the condensed interim financial information, which is an integral part of the six-month financial report under the L. 3556/2007.

Management is responsible for the preparation and presentation of this condensed interim financial information, in accordance with International Financial Reporting Standards, as adopted by the European Union (EU) and which apply to Interim Financial Reporting (International Accounting Standard "IAS 34"). Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

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

Conclusion

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

Report on other Legal and Regulatory Requirements

Our review did not identify material inconsistency or error in the statements of the members of the Board of Directors and the information of the six-month Financial Report of the Board of Directors, as these are defined in article 5 and 5a of L. 3556/2007, with respect to the condensed interim separate and consolidated financial information.

Athens, August 30, 2019

The Certified Public Accountants

George And. Karamichalis	Nikolaos Ioannou
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INTERIM FINANCIAL STATEMENTS
INCOME STATEMENT GROUP / COMPANY FOR THE FIRST HALF OF 2019

Amounts reported in thousand €	Note	GROUP 1/1-30/6/2019	GROUP 1/1-30/6/2018 [2]	COMPANY 1/1-30/6/2019	COMPANY 1/1-30/6/2018
Sale Proceeds	2.2	378.071	409.061	18.659	29.414
Less: Cost of Sales		-301.747	-318.548	-21.603	-18.386
Gross Profit /(loss)		**76.324**	**90.513**	**-2.944**	**11.028**
Other Operating Income	2.3	9.881	7.094	309	86
Selling Expenses		-21.180	-17.711	-4.876	-4.266
Administrative Expenses		-39.980	-35.128	-7.641	-6.508
Research and Development Expenses		-2.245	-2.866	-2.245	-2.866
Other Operating Expenses	2.7	-4.859	-3.467	-505	-1.394
EBIT	2.1.5	**17.941**	**38.435**	**-17.902**	**-3.920**
EBITDA	2.1.5	**58.673**	**69.812**	**-8.301**	**3.045**
Income/(expenses) from participations and investments	2.5	2.833	2.733	5.661	9.205
Gain/(loss) from assets disposal, impairment loss and write-off of assets	2.6	-3.669	-169	-11	0
Interest and similar expenses	2.8	-26.831	-25.259	-9.538	-7.991
Interest and similar income	2.8	3.462	3.321	2.030	1.822
Foreign exchange differences	2.9	4.370	4.236	-423	-383
Profit / (loss) from equity method consolidations		3.503	3	0	0
Gain/(loss) on net monetary position	2.23	435	0	0	0
Operating Profit/(loss) before tax from continuing operations		**2.044**	**23.300**	**-20.183**	**-1.267**
Tax	2.4	-12.157	-10.564	-1.009	-138
Profit / (loss) after tax from continuing operations (a)		**-10.113**	**12.736**	**-21.192**	**-1.405**
Profit / (loss) after tax from discontinued operations (b) [1]	2.20	5.283	4.165	0	0
Profit / (loss) after tax (continuing and discontinued operations) (a)+(b)		**-4.830**	**16.901**	**-21.192**	**-1.405**
Attributable to:					
Equity holders of parent					
-Profit/(loss) from continuing operations		-27.262	-4.085	-21.192	-1.405
-Profit/(loss) from discontinued operations [1]	2.20	5.283	1.002	0	0
		-21.979	**-3.083**	**-21.192**	**-1.405**
Non-Controlling Interest					
-Profit/(loss) from continuing operations		17.149	16.821	0	0
-Profit/(loss) from discontinued operations [1]	2.20	0	3.163	0	0
		17.149	**19.984**	**0**	**0**
Earnings/(loss) after tax per share (in €) from total operations					
-basic	2.20	-0,1487	-0,0197	-0,1434	-0,0090
-diluted	2.20	-0,1487	-0,0197	-0,1434	-0,0090
Weighted Average number of shares		147.761.688	156.194.331	147.761.688	156.194.331

[1] The activities of Group subsidiaries Azerinteltek AS (Azerbaijan) and Totolotek SA (Poland) are presented as discontinued operations pursuant to IFRS 5 (note 2.20.A.VIII)
[2] Group's 2018 comparative figures of "Sale Proceeds", "Cost of Sales", "Gross Profit / (Loss)" and "Selling Expenses" are reclassified pursuant to IFRS 15 (note 2.22)

STATEMENT OF COMPREHENSIVE INCOME GROUP / COMPANY FOR THE FIRST HALF OF 2019

Amounts reported in thousand €	Note	GROUP 1/1-30/6/2019	GROUP 1/1-30/6/2018	COMPANY 1/1-30/6/2019	COMPANY 1/1-30/6/2018
Net Profit / (loss) after tax (continuing and discontinued operations) (a)+(b)		**-4.830**	**16.901**	**-21.192**	**-1.405**
Attributable to:					
Equity holders of parent Company					
-Profit/(loss) from continuing operations		-27.262	-4.085	-21.192	-1.405
-Profit/(loss) from discontinued operations [1]	2.20	5.283	1.002	0	0
		-21.979	**-3.083**	**-21.192**	**-1.405**
Non-Controlling Interest					
-Profit/(loss) from continuing operations		17.149	16.821	0	0
-Profit/(loss) from discontinued operations [1]	2.20	0	3.163	0	0
		17.149	**19.984**	**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		51	12	0	0
Defined benefit plans revaluation for associates and joint ventures		-49	-105	0	0
Valuation of assets measured at fair value through other comprehensive income of parent and subsidiaries	2.12	1.508	2.333	1.284	-9
Amounts that may be reclassified to profit or loss:					
Derivatives valuation of parent and subsidiaries		0	66	0	66
Exchange differences on subsidiaries consolidation	2.15	-4.970	-10.843	0	0
Share of exchange differences on consolidation of associates and joint ventures	2.15	222	2.454	0	0
Other comprehensive income/ (expenses) after tax		**-3.238**	**-6.083**	**1.284**	**57**
Total comprehensive income / (expenses) after tax		**-8.068**	**10.818**	**-19.908**	**-1.348**
Attributable to:					
Equity holders of parent		-22.580	-5.752	-19.908	-1.348
Non-Controlling Interest		14.512	16.570	0	0

[1] The activities of Group subsidiaries Azerinteltek AS (Azerbaijan) and Totolotek SA (Poland) are presented as discontinued operations pursuant to IFRS 5 (note 2.20.A.VIII)

INCOME STATEMENT GROUP / COMPANY FOR THE SECOND QUARTER OF 2019

Amounts reported in thousand €	Note	GROUP 1/4-30/6/2019	GROUP 1/4-30/6/2018 [2]	COMPANY 1/4-30/6/2019	COMPANY 1/4-30/6/2018
Sale Proceeds	2.2	185.372	198.339	9.896	14.913
Less: Cost of Sales		-148.833	-154.643	-11.164	-8.659
Gross Profit /(loss)		**36.539**	**43.696**	**-1.268**	**6.254**
Other Operating Income	2.3	4.980	3.751	48	37
Selling Expenses		-10.358	-8.446	-2.253	-1.944
Administrative Expenses		-20.075	-17.958	-3.958	-3.327
Research and Development Expenses		-1.134	-1.376	-1.134	-1.376
Other Operating Expenses	2.7	-4.287	-3.069	-328	-127
EBIT	2.1.5	**5.665**	**16.598**	**-8.893**	**-483**
EBITDA	2.1.5	**26.878**	**32.505**	**-4.125**	**2.985**
Income/(expenses) from participations and investments	2.5	2.825	1.727	1.903	735
Gain/(loss) from assets disposal, impairment loss and write-off of assets	2.6	-1.341	-61	-11	0
Interest and similar expenses	2.8	-13.627	-12.387	-4.707	-4.122
Interest and similar income	2.8	1.291	1.508	1.044	1.202
Foreign exchange differences	2.9	636	6.763	-327	592
Profit / (loss) from equity method consolidations		1.925	853	0	0
Gain/(loss) on net monetary position	2.23	205	0	0	0
Operating Profit/(loss) before tax from continuing operations		**-2.421**	**15.001**	**-10.991**	**-2.076**
Tax	2.4	-6.232	-4.262	-804	673
Profit / (loss) after tax from continuing operations (a)		**-8.653**	**10.739**	**-11.795**	**-1.403**
Profit / (loss) after tax from discontinued operations (b) [1]	2.20	6.681	1.703	0	0
Profit / (loss) after tax (continuing and discontinued operations) (a)+(b)		**-1.972**	**12.442**	**-11.795**	**-1.403**
Attributable to:					
Equity holders of parent					
-Profit/(loss) from continuing operations		-16.463	2.607	-11.795	-1.403
-Profit/(loss) from discontinued operations [1]	2.20	6.681	346	0	0
		-9.782	**2.953**	**-11.795**	**-1.403**
Non-Controlling Interest					
-Profit/(loss) from continuing operations		7.810	8.132	0	0
-Profit/(loss) from discontinued operations [1]	2.20	0	1.357	0	0
		7.810	**9.489**	**0**	**0**
Earnings/(loss) after tax per share (in €) from total operations					
-basic	2.20	-0,0662	0,0189	-0,0798	-0,0090
-diluted	2.20	-0,0662	0,0189	-0,0798	-0,0090
Weighted Average number of shares		147.761.688	156.194.331	147.761.688	156.194.331

[1] The activities of Group subsidiaries Azerinteltek AS (Azerbaijan) and Totolotek SA (Poland) are presented as discontinued operations pursuant to IFRS 5 (note 2.20.A.VIII)
[2] Group's 2018 comparative figures of "Sale Proceeds", "Cost of Sales", "Gross Profit / (Loss)" and "Selling Expenses" are reclassified pursuant to IFRS 15 (note 2.22)

STATEMENT OF COMPREHENSIVE INCOME GROUP / COMPANY FOR THE SECOND QUARTER OF 2019

Amounts reported in thousand €	Note	GROUP 1/4-30/6/2019	GROUP 1/4-30/6/2018	COMPANY 1/4-30/6/2019	COMPANY 1/4-30/6/2018
Net Profit / (loss) after tax (continuing and discontinued operations) (a)+(b)		**-1.972**	**12.442**	**-11.795**	**-1.403**
Attributable to:					
Equity holders of parent Company					
-Profit/(loss) from continuing operations		-16.463	2.607	-11.795	-1.403
-Profit/(loss) from discontinued operations [1]	2.20	6.681	346	0	0
		-9.782	**2.953**	**-11.795**	**-1.403**
Non-Controlling Interest					
-Profit/(loss) from continuing operations		7.810	8.132	0	0
-Profit/(loss) from discontinued operations [1]	2.20	0	1.357	0	0
		7.810	**9.489**	**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		25	7	0	0
Defined benefit plans revaluation for associates and joint ventures		-64	5	0	0
Valuation of assets measured at fair value through other comprehensive income of parent and subsidiaries	2.12	1.451	2.330	1.271	-12
Amounts that may be reclassified to profit or loss:					
Derivatives valuation of parent and subsidiaries		0	48	0	48
Exchange differences on subsidiaries consolidation	2.15	-3.884	-3.231	0	0
Share of exchange differences on consolidation of associates and joint ventures	2.15	-562	4.123	0	0
Other comprehensive income/ (expenses) after tax		**-3.034**	**3.282**	**1.271**	**36**
Total comprehensive income / (expenses) after tax		**-5.006**	**15.724**	**-10.524**	**-1.367**
Attributable to:					
Equity holders of parent		-12.051	7.905	-10.524	-1.367
Non-Controlling Interest		7.045	7.819	0	0

[1] The activities of Group subsidiaries Azerinteltek AS (Azerbaijan) and Totolotek SA (Poland) are presented as discontinued operations pursuant to IFRS 5 (note 2.20.A.VIII)

STATEMENT OF FINANCIAL POSITION GROUP/COMPANY

Amounts reported in thousand €	Note	GROUP 30/6/2019	GROUP 31/12/2018	COMPANY 30/6/2019	COMPANY 31/12/2018
ASSETS					
Tangible assets	2.10	169.254	133.360	25.704	18.890
Investment property	2.10	37	39	0	0
Intangible assets	2.10	280.141	302.332	86.104	90.810
Investment in subsidiaries, associates and joint ventures	2.11	131.920	133.198	128.616	135.908
Other financial assets	2.12	15.221	16.042	169	1.213
Deferred Tax asset		8.032	7.717	0	0
Other long term receivables		4.120	8.832	121	146
Total Non-Current Assets		**608.725**	**601.520**	**240.714**	**246.967**
Inventories	2.13	39.725	45.583	18.766	14.831
Trade and other short term receivables	2.19	120.645	133.864	85.891	110.370
Other financial assets	2.12	0	637	0	0
Cash and cash equivalents	2.14	128.712	162.461	24.083	33.146
Total Current Assets		**289.082**	**342.545**	**128.740**	**158.347**
TOTAL ASSETS		**897.807**	**944.065**	**369.454**	**405.314**
EQUITY AND LIABILITIES					
Share capital	2.15	47.089	47.089	47.089	47.089
Treasury shares	2.15	-8.528	-8.528	-8.528	-8.528
Other reserves	2.15	67.058	64.962	54.901	53.125
Foreign exchange differences	2.15	-90.038	-87.955	0	0
Retained earnings	2.16	-31.646	-9.268	-56.488	-34.804
Total equity attributable to shareholders of the parent		**-16.065**	**6.300**	**36.974**	**56.882**
Non-Controlling Interest		11.788	28.145	0	0
Total Equity		**-4.277**	**34.445**	**36.974**	**56.882**
Long term debt	2.17	736.430	735.297	277.116	286.380
Staff retirement indemnities		4.309	5.111	2.627	3.249
Other long term provisions	2.20	7.631	7.560	7.542	7.446
Deferred Tax liabilities		12.297	11.294	6.665	5.657
Other long term liabilities	2.19	1.981	2.256	220	273
Long term lease liabilities	2.21	11.695	1.797	1.613	0
Total Non-Current Liabilities		**774.343**	**763.315**	**295.783**	**303.005**
Trade and other short term liabilities	2.19	85.161	96.780	35.918	45.276
Short term debt and lease liabilities	2.17	32.971	40.655	635	0
Current income tax payable		5.560	3.519	0	0
Short term provision	2.20	4.049	5.351	144	151
Total Current Liabilities		**127.741**	**146.305**	**36.697**	**45.427**
TOTAL LIABILITIES		**902.084**	**909.620**	**332.480**	**348.432**
TOTAL EQUITY AND LIABILITIES		**897.807**	**944.065**	**369.454**	**405.314**

STATEMENT OF CHANGES IN EQUITY GROUP

STATEMENT OF CHANGES IN EQUITY INTRALOT GROUP (Amounts reported in thousand of €)	Share Capital	Treasury Shares	Legal Reserve	Other Reserves	Foreign exchange differences	Retained Earnings	Total	Non-Controlling Interest	Grand Total
Opening Balance January 1, 2019	**47.089**	**-8.528**	**24.795**	**40.167**	**-87.955**	**-9.268**	**6.300**	**28.145**	**34.445**
Effect on retained earnings from previous years adjustments						39	**39**	-15	**24**
New consolidated entities						9	**9**		**9**
Period's results						-21.979	**-21.979**	17.149	**-4.830**
Other comprehensive income / (expenses) after tax				1.507	-2.083	-25	**-601**	-2.637	**-3.238**
Dividends to equity holders of parent / non-controlling interest							**0**	-30.759	**-30.759**
Share option of associate companies						131	**131**		**131**
Sales / liquidation of subsidiaries							**0**	-131	**-131**
Adjustment to net monetary position			112			-76	**36**	36	**72**
Transfer between reserves			75	402		-477	**0**		**0**
Balances as at June 30, 2019	**47.089**	**-8.528**	**24.982**	**42.076**	**-90.038**	**-31.646**	**-16.065**	**11.788**	**-4.277**

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

STATEMENT OF CHANGES IN EQUITY COMPANY

STATEMENT OF CHANGES IN EQUITY INTRALOT S.A. (Amounts reported in thousand of €)	Share Capital	Treasury Shares	Legal Reserve	Other Reserves	Retained Earnings	Total
Opening Balance January 1, 2019	**47.089**	**-8.528**	**15.896**	**37.229**	**-34.804**	**56.882**
Period's results					-21.192	**-21.192**
Other comprehensive income /(expenses) after tax				1.284		**1.284**
Transfer between reserves				492	-492	**0**
Balances as at June 30, 2019	**47.089**	**-8.528**	**15.896**	**39.005**	**-56.488**	**36.974**

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

CASH FLOW STATEMENT GROUP/COMPANY

Amounts reported in thousand of € (total operations)	Note	GROUP 1/1-30/6/2019	GROUP 1/1-30/6/2018	COMPANY 1/1-30/6/2019	COMPANY 1/1-30/6/2018
Operating activities					
Profit / (loss) before tax from continuing operations		2.044	23.300	-20.183	-1.267
Profit / (loss) before tax from discontinued operations	2.20	5.283	9.151	0	0
Profit / (loss) before Taxation		**7.327**	**32.451**	**-20.183**	**-1.267**
Plus / Less adjustments for:					
Depreciation and Amortization		40.832	31.810	9.601	6.965
Provisions		4.860	909	146	1.440
Results (income, expenses, gain and loss) from Investing Activities		-17.929	-6.085	-5.257	-8.822
Interest and similar expenses	2.8	26.914	25.423	9.538	7.991
Interest and similar Income	2.8	-3.463	-3.437	-2.030	-1.822
(Gain) / loss on net monetary position	2.23	-435	0	0	0
Plus / Less adjustments for changes in working capital:					
Decrease / (increase) of Inventories		1.116	-11.465	-405	-18
Decrease / (increase) of Receivable Accounts		3.147	-906	15.339	170
(Decrease) / increase of Payable Accounts (except Banks)		-9.853	-18.124	-5.877	-16.185
Less: Income Tax Paid		3.533	13.898	0	0
Total inflows / (outflows) from operating activities (a)		**48.983**	**36.678**	**872**	**-11.548**
Investing Activities					
(Purchases) / Sales of subsidiaries, associates, joint ventures and other investments	2.12 2.20	7.295	-3.620	2.328	0
Purchases of tangible and intangible assets	2.10	-31.769	-42.674	-5.347	-8.808
Proceeds from sales of tangible and intangible assets	2.10	152	285	48	0
Interest received		3.014	4.080	1.094	489
Dividends received		8.274	6.810	11.213	8.572
Total inflows / (outflows) from investing activities (b)		**-13.034**	**-35.119**	**9.336**	**253**
Financing Activities					
Repurchase of treasury shares	2.15	0	-5.523	0	-5.523
Proceeds from loans	2.17	44.857	52.585	0	15.000
Repayment of loans	2.17	-53.746	-28.795	-14.600	0
Bonds buy back	2.17	0	-5.004	0	0
Repayments of lease liabilities	2.17	-3.704	-2.888	-241	0
Interest and similar expenses paid		-24.076	-25.091	-4.137	850
Dividends paid	2.16	-33.028	-27.752	0	0
Total inflows / (outflows) from financing activities (c)		**-69.697**	**-42.468**	**-18.978**	**10.327**
Net increase / (decrease) in cash and cash equivalents for the period (a) + (b) + (c)		**-33.748**	**-40.909**	**-8.770**	**-968**
Cash and cash equivalents at the beginning of the period	2.14	**162.461**	**238.041**	**33.146**	**20.434**
Net foreign exchange difference		-1	-2.281	-293	-135
Cash and cash equivalents at the end of the period from total operations	2.14	**128.712**	**194.851**	**24.083**	**19.331**

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 4.700 employees and revenues from continuing operations of €0,8 billion for 2018, INTRALOT has established its presence on all 5 major continents.

The interim financial statements of the Group and the Company for the period ended June 30, 2019 were approved by the Board of Directors on August 30, 2019.

2. NOTES TO THE INTERIM FINANCIAL STATEMENTS

2.1.1 Basis of preparation of the Financial Statements

The attached financial statements have been prepared on the historical cost basis, except for 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 June 30, 2019 have been prepared in accordance with IAS 34 "Interim Financial Reporting". Those interim condensed financial statements do not include all the information and disclosures required by IFRS in the annual financial statements and should be read in conjunction with the Group's and Company's annual financial statements as at 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 June 30, 2019, the accounting policies adopted are consistent with those followed in the preparation of the most recent annual financial statements (December 31, 2018), except for the below mentioned adoption of new standards and interpretations applicable for fiscal periods beginning at January 1, 2019.

Standards and Interpretations compulsory for the fiscal year 2019

New standards, amendments of published standards and interpretations mandatory for accounting periods beginning on 1st January 2019. The Group's assessment of the impact of these new and amended standards and interpretations is set out below.

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 affected the accounting treatment of the operating leases of the Group as a lessee. The Group applied IFRS 16 since 1/1/2019, using the simplified transition method ("modified retrospective approach"), without restatement of comparative figures for prior years.

Based on the previous standard (IAS 17), the Group (as lessee) classified the leases as either financial (where the Group retained virtually all the risks and rewards of ownership) or as operating assets. Finance leases were capitalized at the beginning of the lease at the lower of the fair value of the asset and the present value of the minimum lease payments. Each rental was apportioned between the liability and the financial charges. The portion of the financing cost of the lease that accounted for interest was recognized in the income statement during the lease term, while the corresponding lease obligations were recognized under "Long term lease liabilities" and "Short term lease liabilities". Leases where a significant portion of the risks and rewards of ownership were retained by the lessor were classified as operating leases and were not capitalized, while operating leases were recognized in the Income Statement proportionally over the lease term. Any prepaid rentals were included in the "Other long term receivables" and "Trade and other short term receivables" accounts, while accrued rentals were included under "Trade and other short term liabilities".

Following the first application of IFRS 16 on 1/1/2019, the Group applied the following:

A) Leases previously classified as finance leases:

The Group did not change the pre-existing carrying amounts of tangible assets and finance lease liabilities at the application date of IFRS 16 for leases that were classified as finance leases (right-of-use assets and lease liabilities are equal to leased assets and liabilities under IAS 17). The requirements of IFRS 16 have been applied to these leases since 1 January 2019.

B) Leases previously classified as operating leases:

The Group recognized right-of-use assets and liabilities for these agreements that were previously clarified as operating ones, apart from 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 contracts. The Group applied the simplified transition method ("modified retrospective approach"), based on which recognized:

a) Liability for leasing, which is 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 is 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.

For the leases in which the Group's has rights to extend the lease or to terminate the lease, a management assessment was made, whether there is certainty that the rights will be exercised or not based on the previous experience and the business plan of the Group.

The effect (increase / (decrease)) from the application of IFRS 16 on 1/1/2019 was as follows:

		1/1/2019
Tangible assets ("right-of-use assets")	Right-of-use Buildings and Installations	19.232
	Right-of-use Transport Equipment	2.412
	Right-of-use machinery and equipment	72
Other long term receivables	Other receivables	(345)
Total Non-Current Assets		**21.371**
Trade and other short term receivables	Prepaid expenses and other receivables	(380)
	Other receivables from related entities and other related parties	(6.076)
Total Current Assets		**(6.456)**
TOTAL ASSETS		**14.915**
Trade and other short term liabilities	Other Creditors	(117)
Short term debt and lease liabilities	Short term lease liabilities from third parties	220
	Short term lease liabilities from other related parties	44
Total Current Liabilities		**147**
Long term lease liabilities	Long term lease liabilities from third parties	11.777
	Long term lease liabilities from related parties	2.991
Total Non-Current Liabilities		**14.768**
TOTAL LIABILITIES		**14.915**

The Group had no impact on equity by the initial application of IFRS 16.

C) Recognition of leases in financial statements of 30/6/2019:

Following the initial recognition, the Group remeasures the right-of-use assets and depreciates them on a straight line basis through the whole leasing term. Respectively, the Group remeasures the above lease liabilities and increases/decreases them through the recognition of the relevant interest and the lease payments.

- Statement of Financial Position

Tangible Assets include Right-of-Use-Assets (RoU Assets) through Leases pursuant to IFRS 16:

	RIGHT OF USE ASSETS			
	LAND & BUILDINGS	TRANSPORT EQUIPMENT	MACHINERY & EQUIPMENT	TOTAL
Opening Balance before IFRS 16 first application	**2**	**48**	**5.546**	**5.596**
IFRS 16 first application	19.232	2.412	72	21.716
Opening Balance after IFRS 16 first application	**19.234**	**2.460**	**5.618**	**27.312**
Additions	1.664	128	65	1.857
Termination/expiry of contracts	0	-31	0	-31
Foreign Exchange differences	-89	0	33	-56
Effect from IAS 29	127	2	0	129
Transfer in between assets	-63	0	0	-63
Depreciation	-1.988	-530	-1.112	-3.630
Closing Balance	**18.885**	**2.029**	**4.604**	**25.518**

- Income Statement

Below amounts recognised in Income Statement:

(continuing operations)	1/1-30/6/2019
Depreciation from right of use assets	3.630
Interest expenses from lease liabilities	672
Rental expenses from short term contracts and low value assets	2.123
Total amounts recognised in Income Statement	**6.425**

The positive impact on Group EBITDA for the first semester of 2019, was approximately €2,5 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 increased in the first semester of 2019, and respectively cash flows from financing activities decreased for an amount of approximately €2,3 million, since payments for liabilities principal and interest will be classified as cash flows from financing activities.

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. These amendments do not affect Group financial statements.

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.
These amendments do not affect Group financial statements.

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.
These amendments do not significantly affect the Group's 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.
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 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.
These amendments do not significantly affect the Group's 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.

Standards and Interpretations compulsory after 31 December 2019

The following new standards, amendments and IFRICs have been published but are in effect for the annual fiscal period beginning the 1st of January 2020 and have not been adopted from the Group earlier.

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.

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.

2.1.5 EBITDA & EBIT

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

Reconciliation of operating profit before tax to EBIT and EBITDA (continuing operations):	GROUP	
	1/1-30/6/2019	1/1-30/6/2018
Operating profit/(loss) before tax	**2.044**	**23.300**
Profit/(loss) on net monetary position	-435	0
Profit/(loss) equity method consolidation	-3.503	-3
Foreign exchange differences	-4.370	-4.236
Interest and similar income	-3.462	-3.321
Interest and similar expenses	26.831	25.259
Income / (expenses) from participations and investments	-2.833	-2.733
Gain / (loss) from assets disposal, impairment losses & write-off of assets	3.669	169
EBIT	**17.941**	**38.435**
Depreciation and amortization	40.732	31.377
EBITDA	**58.673**	**69.812**

Reconciliation of operating profit before tax to EBIT and EBITDA (continuing operations):	COMPANY	
	1/1-30/6/2019	1/1-30/6/2018
Operating profit/(loss) before tax	**-20.183**	**-1.267**
Foreign exchange differences	423	383
Interest and similar income	-2.030	-1.822
Interest and similar expenses	9.538	7.991
Income / (expenses) from participations and investments	-5.661	-9.205
Gain / (loss) from assets disposal, impairment losses & write-off of assets	11	0
EBIT	**-17.902**	**-3.920**
Depreciation and amortization	9.601	6.965
EBITDA	**-8.301**	**3.045**

Project EBITDA of the Company

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

2.1.6 Significant accounting judgments estimates and assumptions

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

The key judgements, estimates and assumptions concerning the future and other key sources of uncertainty at the reporting date of the interim condensed financial statements for the period ended on June 30, 2019 and have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year, are consistent with those applied and were valid at the reporting date of the annual financial statements December 31, 2018.

2.1.7 Seasonality and cyclicality of operations

The Group revenue can fluctuate due to seasonality in some components of the worldwide operations. In particular, the majority of the Group sports betting revenue is generated from bets placed on European football, which has an off-season in the European summer that typically causes a corresponding periodic decrease in the Group revenue. In addition, Group revenue from lotteries can be somewhat dependent on the size of jackpots of lottery games during the relevant period. The Group revenue may also be affected by the scheduling of major football events that do not occur annually, notably the FIFA World Cup and UEFA European Championships, and by the performance of certain teams within specific tournaments, particularly where the national football teams, in the markets where the Group earns the majority of its revenue, fail to qualify for the World Cup. Furthermore, the cancellation or curtailment of significant sporting events, for example due to adverse weather, traffic or transport disruption or civil disturbances, may also affect Group revenue. This information is provided to allow for a better understanding of the revenue, however, Group management has concluded that this is not "highly seasonal" in accordance with IAS 34.

2.2 INFORMATION PER SEGMENT

Intralot Group manages in 47 countries and states an expanded portfolio of contracts and gaming licenses. The grouping of the Group companies is based on the geographical location in which they are established. The financial results of the Group are presented in the following operating geographic segments based on the geographic location of the Group companies:

European Union:	Greece, Italy, Malta, Cyprus, Poland, Luxembourg, Spain, United Kingdom, Nederland, Romania, Bulgaria, Germany, Slovakia, Croatia and Republic of Ireland.
Other Europe:	Russia, Moldova.
America:	USA, Peru, Brazil, Argentina, Mexico, Jamaica, Chile, Colombia, Guatemala, Dominican Republic, Uruguay, 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.

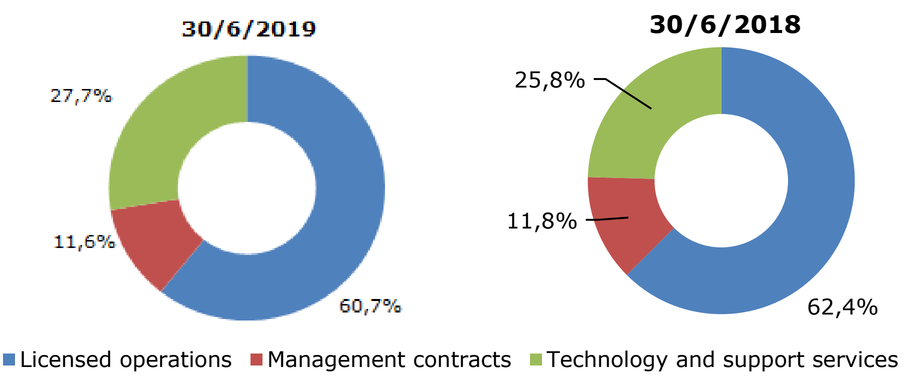
1/1-30/6/2019 *(in million €)*	European Union	Other Europe	America	Other Countries	Eliminations	Total
Sales to third parties	221,44	0,00	102,04	54,59	0,00	378,07
Intragroup sales	19,26	0,00	0,19	0,16	-19,61	0,00
Total Sales	**240,70**	**0,00**	**102,23**	**54,75**	**-19,61**	**378,07**
Gross Profit/(loss)	**23,13**	**-0,84**	**17,57**	**41,84**	**-5,38**	**76,32**
(Debit)/Credit interest & similar (expenses)/income	-22,37	0,16	-3,45	1,39	0,90	-23,37
Depreciation/Amortization	-23,13	-0,75	-15,43	-2,82	1,40	-40,73
Profit/(loss) consolidated with equity method	3,57	0,00	1,31	-1,38	0,00	3,50
Write-off & impairment of assets	-0,04	-0,05	-0,49	-3,04	0,00	-3,62
Write-off & impairment of investments	-7,76	0,00	0,00	0,00	7,76	0,00
Doubtful provisions, write-off & impairment of receivables	-0,97	0,00	-1,40	-0,60	2,31	-0,66
Reversal of doubtful provisions & recovery of written off receivables	0,20	0,00	0,00	0,00	-0,20	0,00
Reversal of provisions for participations impairment	0,00	0,00	0,00	0,00	0,00	0,00
Profit/(Loss) before tax and continuing operations	**-1,49**	**-1,18**	**5,99**	**18,35**	**-19,63**	**2,04**
Tax	-4,33	-0,01	-1,66	-6,15	0,00	-12,15
Profit/(Loss) after tax from continuing operations	**-5,82**	**-1,19**	**4,33**	**12,20**	**-19,63**	**-10,11**
Profit/(Loss) after tax from discontinued operations	0,00	0,00	0,00	0,00	5,28	5,28
Profit/(Loss) after tax from total operations	**-5,82**	**-1,19**	**4,33**	**12,20**	**-14,35**	**-4,83**

1/1-30/6/2018 *(in million €)*	European Union	Other Europe	America	Other Countries	Eliminations	Total
Sales to third parties	249,93	1,01	100,38	57,74	0,00	409,06
Intragroup sales	24,50	0,00	0,20	0,00	-24,70	0,00
Total Sales	**274,43**	**1,01**	**100,58**	**57,74**	**-24,70**	**409,06**
Gross Profit/(loss)	**37,14**	**-0,15**	**14,24**	**43,65**	**-4,37**	**90,51**
(Debit)/Credit interest & similar (expenses)/income	-21,44	0,12	-2,54	1,54	0,38	-21,94
Depreciation/Amortization	-17,21	-0,76	-10,70	-4,11	1,40	-31,38
Profit/(loss) consolidated with equity method	0,61	0,00	0,88	-1,49	0,00	0,00
Write-off & impairment of assets	-0,09	0,00	-0,09	0,00	0,00	-0,18
Write-off & impairment of investments	-0,01	0,00	-0,02	0,00	0,03	0,00
Doubtful provisions, write-off & impairment of receivables	-1,39	0,00	-0,13	-0,24	1,37	-0,39
Profit/(Loss) before tax and continuing operations	**39,60**	**-0,07**	**2,48**	**29,24**	**-47,95**	**23,30**
Tax	-1,87	-0,12	-2,34	-6,23	0,00	-10,56
Profit/(Loss) after tax from continuing operations	**37,73**	**-0,19**	**0,14**	**23,01**	**-47,95**	**12,74**
Profit/(Loss) after tax from discontinued operations	-2,18	0,00	0,00	5,61	0,73	4,16
Profit/(Loss) after tax from total operations	**35,55**	**-0,19**	**0,14**	**28,62**	**-47,22**	**16,90**

Sales per business activity (continuing operations) *(in thousand €)*	30/6/2019	30/6/2018	change
Licensed operations	229.552	255.102	-10,02%
Management contracts	43.988	48.067	-8,49%
Technology and support services	104.531	105.892	-1,29%
Total	**378.071**	**409.061**	**-7,58%**

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

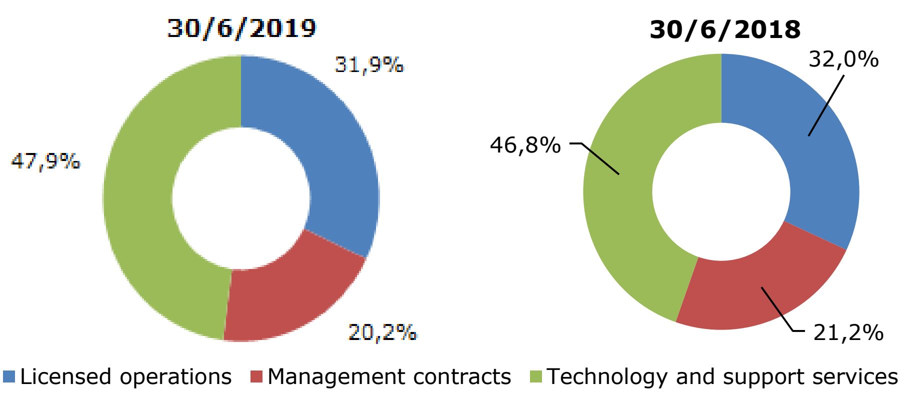
Sales per business activity



Sales per product type (continuing operations)	30/6/2019	30/6/2018
Lottery games	42,6%	39,2%
Sports Betting	44,9%	46,0%
IT products & services	5,8%	9,0%
Racing	2,5%	2,1%
Video Lottery Terminals	4,2%	3,7%
Total	**100%**	**100%**

Revenue Net of Payout (GGR) per business activity (continuing operations) *(in thousand €)*	30/6/2019	30/6/2018	change
Licensed operations	69.750	72.384	-3,64%
Management contracts	43.988	48.068	-8,49%
Technology and support services	104.532	105.892	-1,28%
Total	**218.270**	**226.344**	**-3,57%**

Revenue Net of Payout (GGR) per business activity



2.3 OTHER OPERATING INCOME

(continuing operations)	GROUP		COMPANY	
	30/6/2019	30/6/2018	30/6/2019	30/6/2018
Income from rents from third parties	7.674	5.530	0	0
Income from rents from subsidiaries	0	0	46	74
Income from uncollected winnings	230	344	0	0
Income from reversal of doubtful provisions and proceeds for written off receivables from third parties	0	4	0	0
Income from reversal of doubtful provisions and proceeds for written off receivables from subsidiaries	0	0	204	0
Other income	1.959	1.216	59	12
Other income from affiliates	18	0	0	0
Total	**9.881**	**7.094**	**309**	**86**

2.4 INCOME TAX

GROUP (continuing operations)	30/6/2019	30/6/2018
Current income tax	9.336	10.249
Deferred income tax	398	-178
Tax audit differences and other taxes non-deductible	2.423	493
Total income tax expense reported in income statement	**12.157**	**10.564**

The income tax expense for the Company and its Greek subsidiaries was calculated to 28% and 29% on the taxable profit of the periods 1/1-30/6/2019 and 1/1-30/6/2018 respectively.

The deferred income tax for the Company and its Greek subsidiaries was calculated using the gradually decreasing rates from 28% to 25% for tax years 2019-2022, pursuant to Law 4579/2018.

COMPANY	30/6/2019	30/6/2018
Current income tax	0	241
Deferred income tax	1.009	-116
Tax audit differences and other taxes non-deductible	0	13
Total income tax expense reported in income statement	**1.009**	**138**

2.5 INCOME / (EXPENSES) FROM PARTICIPATIONS AND INVESTMENTS

(continuing operations)	GROUP		COMPANY	
	30/6/2019	30/6/2018	30/6/2019	30/6/2018
Income from dividends	2.321	2.813	13.287	9.217
Gain from sale of participations and investments	512	117	0	0
Total income from participations and investments	**2.833**	**2.930**	**13.287**	**9.217**
Loss from sale of participations and investments	0	-197	0	-12
Loss from impairment / write-offs of participations and investments	0	0	-7.626	0
Total expenses from participations and investments	**0**	**-197**	**-7.626**	**-12**
Net result from participations and investments	**2.833**	**2.733**	**5.661**	**9.205**

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

(continuing operations)	GROUP		COMPANY	
	30/6/2019	30/6/2018	30/6/2019	30/6/2018
Gain from disposal of tangible and intangible assets	33	29	1	0
Loss from disposal of tangible and intangible assets	-110	-18	-12	0

Loss from impairment and write-off of tangible and intangible assets[1]	-3.623	-180	-30	0
Gain from write off of lease liability	31	0	30	0
Net result from tangible and intangible assets	**-3.669**	**-169**	**-11**	**0**

[1] The Group on 30/6/2019 includes impairment provision of goodwill in subsidiary Inteltek A.S. (note 2.10) of €3.037 thousand 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.

2.7 OTHER OPERATING EXPENSES

(continuing operations)	GROUP		COMPANY	
	30/6/2019	30/6/2018	30/6/2019	30/6/2018
Impairment, write-off and provisions for doubtful debt	659	395	158	1.320
Provisions for contractual fines-penalties	3.486	2.143	0	0
Other expense	714	929	347	74
Total	**4.859**	**3.467**	**505**	**1.394**

Analysis of the account "Impairment, write-off and provisions for doubtful debt":

(continuing operations)	GROUP		COMPANY	
	30/6/2019	30/6/2018	30/6/2019	30/6/2018
Provisions for doubtful receivables from subsidiaries	0	0	158	1.320
Provisions for doubtful receivables from third parties	639	288	0	0
Write-off of receivables from receivables (third parties)	0	102	0	0
Write-off of receivables from other related parties	20	5	0	0
Total	**659**	**395**	**158**	**1.320**

2.8 INTEREST AND SIMILAR EXPENSES / INTEREST AND SIMILAR INCOME

(continuing operations)	GROUP		COMPANY	
	30/6/2019	30/6/2018	30/6/2019	30/6/2018
Interest Expense[1]	-25.589	-24.513	-9.523	-8.239
Finance costs	-887	-580	-15	248
Discounting	-355	-166	0	0
Total Interest and similar expenses	**-26.831**	**-25.259**	**-9.538**	**-7.991**
Interest Income	3.204	3.066	2.030	1.822
Discounting	258	255	0	0
Total Interest and similar Income	**3.462**	**3.321**	**2.030**	**1.822**
Net Interest and similar Income / (Expenses)	**-23.369**	**-21.938**	**-7.508**	**-6.169**

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

2.9 FOREIGN EXCHANGE DIFFERENCES

The Group reported in the Income Statement of the first half of 2019 profit from «Exchange differences» amount to €4.370 thousand (2018: gain €4.236 thousand) mainly from valuation of commercial and borrowing liabilities (intercompany and non) in EUR that various subsidiaries abroad had, as at 30/6/2019, 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 30/6/2019.

2.10 TANGIBLE AND INTANGIBLE ASSETS

Acquisitions and disposals of tangible and intangible assets:

During the six months of 2019, the Group acquired tangible (owner occupied) and intangible assets with acquisition cost €28.057 thousand (discontinued operations €508 thousand), (six months 2018: €44.656 thousand – discontinued operations €334 thousand).

Also, during the six months of 2019, the Group disposed tangible (owner occupied) and intangible assets with a net book value of €2.666 thousand (six months 2018: €277 thousand – discontinued operations €0 thousand), making a net loss amounting to €77 thousand (six months 2018: net profit €11 thousand), which was recorded in the account "Gain/(loss) from assets disposal, impairment loss & write-off of assets".

Right–of–use-Assets pursuant to IFRS 16 first time adoption:

The Group recognized as at 1/1/2019, Right–of–use-Assets (RoU Assets) of amount to €21.716 thousand pursuant to IFRS 16 first time application (note 2.1.4).

Write-offs and impairment of tangible and intangible assets:

During the six months of 2019, the Group proceeded to writes-offs and impairments of tangible (owner-occupied) and intangible assets with a net book value of €3.630 thousand (discontinued operations €7 thousand) - (six months 2018: €183 thousand – discontinued operations €3 thousand), which were recorded in the account "Profit / (loss) from assets disposal, impairment loss & write-off of assets".

Exchange differences on valuation of tangible and intangible assets:

The net book value of tangible (owner-occupied and investment) and intangible assets of the Group decreased in the six months of 2019 due to foreign exchange valuation differences by €0,9 million.

Restatement of tangible and intangible fixed assets into current measuring units (IAS 29):

The net book value of the Group's tangible (own used and investing) and intangible assets increased by €917 thousand in the six months 2019 due to a recalculation in current measuring units pursuant to IAS 29 "Financial Reporting in Hyperinflationary Economies".

Tangible Assets include Right-of-Use-Assets (RoU Assets) through Leases pursuant to IFRS 16:

	RIGHT OF USE ASSETS			
	LAND & BUILDINGS	TRANSPORT EQUIPMENT	MACHINERY & EQUIPMENT	TOTAL
Opening Balance before IFRS 16 first application	**2**	**48**	**5.546**	**5.596**
IFRS 16 first application	19.232	2.412	72	21.716
Opening Balance after IFRS 16 first application	**19.234**	**2.460**	**5.618**	**27.312**
Additions	1.664	128	65	1.857
Termination/expiry of contracts	0	-31	0	-31
Foreign Exchange differences	-89	0	33	-56
Effect from IAS 29	127	2	0	129
Transfer in between assets	-63	0	0	-63
Depreciation	-1.988	-530	-1.112	-3.630
Closing Balance	**18.885**	**2.029**	**4.604**	**25.518**

Goodwill and Intangible assets with indefinite useful life impairment test

Management tests goodwill for impairment annually (December 31) or more frequently if events occur or changes in conditions indicate that the carrying value may have been reduced in accordance with accounting practice described in note 2.1.6 «Business Combination and Goodwill» of the annual Financial Statements of December 31, 2018.

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 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.

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 A.S. acquisition goodwill as of 31/12/2018 was €3.291 thousand (30/6/2019: €3.037 after the relevant valuation in Euro). On 30/6/2019 goodwill was retested for impairment and additional impairment provision of €3.037 thousand recognized, writing off fully the remaining value.

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	
	30/6/2019 [1]	31/12/2018	30/6/2019	31/12/2018
European Union	19.600	23.437	2.300	2.300
America	732	820	32	29
Other countries	6.437	10.267	0	0
Total	**26.769**	**34.524**	**2.332**	**2.329**

[1] Net decrease in goodwill during the six months of 2019 by €7.755 thousand is caused by the impairment provision of €3.037 thousand of Inteltek Internet A.S., the sale of Totolotek by €3.850 thousand, as well as the foreign currency translation losses of €868 thousand by goodwill valuation from foreign subsidiaries acquisitions, that made by the Group in the past, with a functional currency other than Euro.

Key assumptions:

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

The value in use for CGUs affected (has sensitivity) of the following key factors (assumptions):

- Sales
- Growth rate in perpetuity (Perpetual Growth Rates), 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 in perpetuity

The factors taken into account for the calculation of the growth rate in perpetuity 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 in perpetuity:

CGU	2018	2017
European Union	0,0% - 2,0%	0,0% - 2,0%
Other Europe	n/a	n/a
America	4,0%	2,0%
Other countries	0,0% - 10,0%	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. The Cost of debt is based on the interest rate of the loans that the Group must facilitate. The specific risk of each country is incorporated by implementing individualized sensitivity factors «beta» (beta factors). The sensitivity factors «beta» are evaluated annually based on published market data.

Discount rates:

CGU	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 31/12/2018, 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 half (0,5) of a percentage point to the growth rate in perpetuity and the change of the discount rates of a (1,0) percentage point). 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, the change of a percentage point to sales growth rate for the period 1/1-28/8/2019 would result in a further reduction of goodwill of amount to €171 thous..

2.11 INVESTMENT IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

GROUP INVESTMENT IN ASSOCIATES AND JOINT VENTURES	% Participation	Country	30/6/2019	31/12/2018
Lotrich Information Co LTD	40%	Taiwan	6.857	5.836
Goreward LTD Group	38,84%	China	24.844	27.332
Gamenet Group SpA	20%	Italy	77.415	77.652
Intralot de Peru SAC	20%	Peru	16.069	15.635
Karenia Enterprises Co Ltd	50%	Cyprus	6.734	6.742
Other			1	1
Total			**131.920**	**133.198**

GROUP INVESTMENT IN ASSOCIATES AND JOINT VENTURES	30/6/2019	31/12/2018
Opening Balance before the application of IFRS 9	**133.198**	**135.763**
Effect from the application of IFRS 9	0	-1.150
Opening Balance after the application of IFRS 9	**133.198**	**134.613**
Participation on net profit / (loss) of associates and joint ventures	3.503	-18.309
Additions/acquisitions	0	6.426
Foreign exchange differences	223	-265
Impairment/Reverse of Impairement[1]	0	16.000
Dividends	-5.146	-5.272
Other	142	5
Closing Balance	**131.920**	**133.198**

[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 2.20.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	30/6/2019	31/12/2018
Lotrich Information Co LTD	40%	Taiwan	5.131	5.131
Intralot De Peru SAC	20%	Peru	5.528	5.528
Total			**10.659**	**10.659**

COMPANY INVESTMENT IN SUBSIDIARIES	% Participation	Country	30/6/2019	31/12/2018
Intralot Holdings International LTD	100%	Cyprus	4.464	4.464
Betting Company S.A.	95%	Greece	139	139
Inteltek Internet AS	20%	Turkey	3.609	11.031
Bilyoner Interactif Hizmelter AS	50,01%	Turkey	10.751	10.751
Intralot Global Securities BV	100,00%	Nederland	55.636	55.636
Intralot Global Holdings BV	0,002%	Nederland	37.268	37.268
Intralot Iberia Holdings SA	100%	Spain	5.638	5.638
Other			452	322
Total			**117.957**	**125.249**
Grand Total			**128.616**	**135.908**

COMPANY INVESTMENT IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES	30/6/2019	31/12/2018
Opening Balance	**135.908**	**141.500**
Provisions/ reversals of provisions for impairment of subsidiaries[1]	-7.626	-4.200
Increase/Reversal of subsidiary capital	334	-1.392
Closing Balance	**128.616**	**135.908**

¹ The Group on 30/6/2019 includes impairment provision of goodwill in subsidiary Inteltek A.S. amounts to €7,4 million (fourth quarter of 2018: €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.

2.12 OTHER FINANCIAL ASSETS

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

	GROUP		COMPANY	
	30/6/2019	31/12/2018	30/6/2019	31/12/2018
Opening Balance	**16.679**	**22.438**	**1.213**	**1.243**
Purchases	0	672	0	0
Return of capital	-2.328	-3.130	-2.328	0
Sales	-629	-827	0	0
Exchange of shares with software	0	-4.400	0	0
Fair value revaluation	1.529	2.150	1.284	-30
Foreign exchange differences	-30	-224	0	0
Closing balance	**15.221**	**16.679**	**169**	**1.213**
Quoted securities	537	770	46	30
Unquoted securities[1 2]	14.684	15.909	123	1.183
Total	**15.221**	**16.679**	**169**	**1.213**
Long-term Financial Assets[2]	15.221	16.042	169	1.213
Short-term Financial Assets[1]	0	637	0	0
Total	**15.221**	**16.679**	**169**	**1.213**

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 31/12/2018.
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 30/6/2019 was €14.561 thousand (31/12/2018: €14.561 thousand).

During the six months of 2019, the Group gain arising from the valuation at fair value of the above financial assets amount to €1.529 thousand (2018: gain €2.436 thousand) are analyzed in gains amount to €1.507 thousand (2018: gain €2.381 thousand) reported in particular equity reserves (revaluation reserve) and in gains amount to €22 thousand (2018: gain €55 thousand) reported in the income statement. Respectively for the Company, gains amount to €1.284 thousand (2018: gain €39 thousand) are analyzed in gain amount to €1.284 thousand (2018: gain €39 thousand) that were reported in particular equity reserves (revaluation reserve).

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

On July 23rd 2019, INTRALOT announced that its 100% subsidiary "INTRALOT Lotteries Limited" has signed a binding MOU with OPAP to transfer all of its shares in "Hellenic Lotteries S.A." (i.e. 511.500 shares or 16,5% of the total) to "OPAP Investment Limited", for a price of Euro Twenty Million (€20.000.000), i.e. €39,1006842619 per share. In addition, according to the MOU, Hellenic Lotteries SA will sign with

INTRALOT SA an amendment to the existing services provision agreement under renegotiated terms & conditions.

The closure of the transaction is expected with the signing of the definitive Share Purchase Agreement upon completion of all regulatory and existing Shareholder Agreement requirements.

2.13 INVENTORIES

	GROUP		COMPANY	
	30/6/2019	31/12/2018	30/6/2019	31/12/2018
Merchandise – Equipment	36.534	32.681	18.766	14.831
Other	4.705	14.438	0	0
Total	**41.239**	**47.119**	**18.766**	**14.831**
Provisions for impairment	-1.514	-1.536	0	0
Total	**39.725**	**45.583**	**18.766**	**14.831**

The burden on the six month results of 2019, from disposals/usage and provision of inventories for the Group amounts to €2.067 thousand (six months of 2018: €2.176 thousand) while for the Company amounts to €866 thousand (six months of 2018: €1.322 thousand) and is included in "Cost of Sales".

Reconciliation of changes in inventories provision for impairment	GROUP		COMPANY	
	30/6/2019	31/12/2018	30/6/2019	31/12/2018
Opening balance for the period	**-1.536**	**-1.538**	**0**	**0**
Foreign exchange differences	22	2	0	0
Closing balance for the period	**-1.514**	**-1.536**	**0**	**0**

There are no liens on inventories.

2.14 CASH AND CASH EQUIVALENTS

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

	GROUP		COMPANY	
	30/6/2019	31/12/2018	30/6/2019	31/12/2018
Cash and bank current accounts	127.959	161.935	24.083	33.146
Short term time deposits / investments (cash equivalents)	753	526	0	0
Total	**128.712**	**162.461**	**24.083**	**33.146**

2.15 SHARE CAPITAL, TREASURY SHARES AND RESERVES

Share Capital

Total number of authorized shares	30/6/2019	31/12/2018
Ordinary shares of nominal value €0,30 each	156.961.721	156.961.721

Issued and fully paid shares	Ordinary Shares	€'000
Balance January 1, 2018	**158.961.721**	**47.689**
Share capital decrease by cancelation of treasury shares	-2.000.000	-600
Balance December 31, 2018	**156.961.721**	**47.089**
Issue of new shares	0	0
Balance June 30, 2019	**156.961.721**	**47.089**

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

Treasury Shares

Share buyback program 11.6.2014 - 11.6.2018:

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

Share buyback program 16.5.2018 - 16.5.2020:

The Company, according to article 16, C.L. 2190/1920, article 4.1.4.2 of the regulation of ATHEX and based on the resolution of the Shareholder's Annual General Meeting on 16.5.2018, has approved a treasury shares buy-back program from the Company, of up to 10% of the paid share capital, including treasury shares which might have been acquired and held by the Company (on 16/5/2018 amounted 748.661 treasury shares that is 0,48% of the share capital following the cancelation of 2.000.000 treasury shares and a relevant decrease in the share capital of the Company as approved by the Shareholder's Annual General Meeting for a period of 24 months with effect from 16.5.2018 and until 16.5.2020, with a minimum price of €0,30 and maximum price of €12,00 cancelling the previous programme that was about to end on 11.6.2018. It has also been approved that the treasury shares which will eventually be acquired may be held for future acquisition of shares of another company or be distributed to the Company's employees or the staff of a company related with it.

During 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. Until 30/6/2019 the Company had 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 December 31, 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 December 31, 2018	**9.200.033**	**8.528**	**9.200.033**	**8.528**
Repurchase of treasury shares	0	0	0	0
Balance June 30, 2019	**9.200.033**	**8.528**	**9.200.033**	**8.528**

Reserves

Foreign exchange differences reserve

This reserve is used to report the exchange differences arising from the translation of foreign subsidiaries' financial statements. The balance of this reserve in the Group on 30/6/2019 was €-90,0 million (31/12/2018: €-88,0 million). The Group had a total net loss which was reported in the statement of comprehensive income from the change in the fair value reserve during the six months of 2019 amounting to €4,7 million, out of which loss of €2,1 million is attributable to the owners of the parent and a loss of €2,6 million to non-controlling interest. The above total net loss for the six months of 2019 comes mainly from the fluctuation of the TRY, ARS, USD and CNY against the EUR.

Alongside, in 30/6/2019, a cumulative gain of €562 thousand was reclassified / recycled from the "Foreign exchange differences reserve" to "Profit / (loss) after tax from discontinued operations" due to the signature of contract for the sale of the subsidiary Totolotek SA.

Respectively, in the fourth quarter of 2018, a cumulative loss of €1.327 million was reclassified / recycled from the "Foreign exchange differences reserve" to "Profit / (loss) after tax from discontinued operations" due to the sale of the subsidiary Azerinteltek AS.

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

- **Statement of Financial Position**:

	30/6/2019	31/12/2018	Change
EUR / USD	1,14	1,15	-0,87%
EUR / AUD	1,62	1,62	-
EUR / TRY	6,57	6,06	8,42%
EUR / PEN	3,74	3,86	-3,11%
EUR / ARS	48,3	43,1	12,06%
EUR / PLN	4,25	4,3	-1,16%
EUR / BRL	4,35	4,44	-2,03%

- **Income Statement**:

	Avg. 1/1-30/6/2019	Avg. 1/1-30/6/2018	Change
EUR / USD	1,13	1,21	-6,61%
EUR / AUD	1,6	1,57	1,91%
EUR / TRY	6,36	4,96	28,23%
EUR / PEN	3,75	3,93	-4,58%
EUR / ARS[1]	48,3	26,08	85,20%
EUR / PLN	4,29	4,22	1,66%
EUR / BRL	4,34	4,14	4,83%

[1] The Income Statement of the first six months of 2019 of the Group's subsidiaries operating in Argentina was converted at the closing rate of 30/6/2019 instead of the Avg. 1/1-30/6/2019 pursuant to IAS 21, paragraph 42a, for hyperinflationary economies.

Other Reserves

	GROUP		COMPANY	
	30/6/2019	31/12/2018	30/6/2019	31/12/2018
Statutory reserve	24.982	24.795	15.896	15.896
Extraordinary reserves	1.689	1.689	1.456	1.456
Tax free and specially taxed reserves	40.722	40.813	38.091	38.091
Treasury shares reserve	5	5	5	5
Actuarial differences reserve	-145	-145	-119	-119
Hedging reserve	0	0	0	0
Revaluation reserve	-195	-2.195	-428	-2.204
Total	**67.058**	**64.962**	**54.901**	**53.125**

Analysis of changes in other comprehensive income by category of reserves

GROUP 1/1-30/6/2019	Revaluation reserve	Hedging reserve	Foreign exchange differences reserve	Retained earnings	Total	Non-controlling interest	Grand total
Defined benefit plans revaluation of subsidiaries and parent company				24	**24**	27	**51**
Revaluation of defined benefit plans of associates and joint ventures				-49	**-49**		**-49**
Valuation of assets at fair value through other comprehensive income, of subsidiaries and parent company	1.507				**1.507**	1	**1.508**
Foreign exchange differences on consolidation of subsidiaries			-2.305		**-2.305**	-2.665	**-4.970**
Share of foreign exchange differences on consolidation of associates and joint ventures			222		**222**		**222**
Other comprehensive income / (expenses) after tax	**1.507**	**0**	**-2.083**	**-25**	**-601**	**-2.637**	**-3.238**

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

Analysis of changes in other comprehensive income by category of reserves

COMPANY 1/1-30/6/2019	Revaluation reserve	Hedging reserve	Total
Valuation of assets measured at fair value through other comprehensive income	1.284		**1.284**
Other comprehensive income / (expenses) after tax	**1.284**	**0**	**1.284**

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

2.16 DIVIDENDS

	GROUP		COMPANY	
Declared dividends of ordinary shares:	**30/6/2019**	**31/12/2018**	**30/6/2019**	**31/12/2018**
Final dividend of 2012	0	680	0	0
Final dividend of 2016	0	512	0	0
Final dividend of 2017	0	24.442	0	0
Interim dividend of 2018	0	13.580	0	0
Final dividend of 2018	27.175	0	0	0
Interim dividend of 2019	3.584	0	0	0
Dividend per statement of changes in equity	**30.759**	**39.214**	**0**	**0**

Paid Dividends on ordinary shares:

During the six months of 2019 dividends paid on ordinary shares, aggregated €33.028 thousand (2018: €27.752 thousand).

2.17 DEBT

Long term loans and lease liabilities:

	Currency	Interest rate	GROUP 30/6/2019	GROUP 31/12/2018	COMPANY 30/6/2019	COMPANY 31/12/2018
Facility A (€250,0 million)	EUR	6,75%	250.253	249.308	0	0
Facility B (€500,0 million)	EUR	5,25%	494.433	493.364	0	0
Intercompany Loans			0	0	277.116	286.380
Other			23.740	36.488	0	0
Total Loans (long term and short term) before repurchasing			**768.426**	**779.160**	**277.116**	**286.380**
Less: Payable during the next year			-27.052	-38.929	0	0
Repurchase of Facility B			-4.944	-4.934	0	0
Long term loans after repurchasing			**736.430**	**735.297**	**277.116**	**286.380**
Long term lease liablilities [1]			11.695	1.797	1.613	0
Total long term debt (loans and lease liabilities)			**748.125**	**737.094**	**278.729**	**286.380**

[1] In the Group and the Company as at 30/6/2019 included Long term lease liabilities from other related parties amount to €2.270 thousand and €1.391 thousand respectively.

Short term loans and lease liabilities:

	GROUP 30/6/2019	GROUP 31/12/2018	COMPANY 30/6/2019	COMPANY 31/12/2018
Facility A (€250,0 million)	4.611	4.652	0	0
Facility B (€500,0 million)	7.089	7.235	0	0
Intercompany loans	0	0	0	0

Other	15.396	27.135	0	0
Short term loans before repurchasing	**27.096**	**39.022**	**0**	**0**
Repurchasing Facility B	-44	-93	0	0
Short term loans after repurchasing	**27.052**	**38.929**	**0**	**0**
Short term lease liabilities [1]	5.919	1.726	635	0
Total short term debt (loans and lease liabilities)	**32.971**	**40.655**	**635**	**0**

[1] In the Group and the Company as at 30/6/2019 included Short term lease liabilities from other related parties amount to €633 thousand and €396 thousand respectively.

	GROUP		COMPANY	
	30/6/2019	31/12/2018	30/6/2019	31/12/2018
Total debt (loans and lease liabilities)	**781.096**	**777.749**	**279.364**	**286.380**

- 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 (30/6/2019: approx. 3,12 in pro forma basis from the application of IFRS 16), and will be able to incur additional senior debt as long as on a pro forma basis its consolidated senior leverage ratio is not more than 3,75 (30/6/2019: approx. 5,14 in pro forma basis from the application of IFRS 16). 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: In December 2017 Intralot Finance UK Ltd signed a loan agreement guaranteed by the parent and subsidiaries of the Group amounting 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 abovementioned loan does not have financial covenants and was fully repaid the first half of 2019.

- Facility D: In December 2017 and in February 2018 Intralot Finance UK Ltd signed loan agreement guaranteed by the parent and subsidiaries of the Group amounting €80 million as revolving facility. The Group had not utilised the above revolving facility which were also cancelled during the second and third quarter of 2019.
- Facility E: Intralot Inc., Group subsidiary in USA, has a credit facility with Bank of America amounting up to $40 million. The outstanding balance as of 30/6/2019 was $15 million. The facility may be used for additional liquidity support to tap new opportunities in Lottery and sports betting in the US.

Reconciliation of liabilities arising from financing activities:

GROUP	Balance 31/12/2018	Cash flows	Effect from IFRS 16 application 1/1/2019	Non cash adjustments					Balance 30/6/2019
				Accrued interest	Foreign exchange differences & IAS 29 effect	Transfers	Purchases of fixed assets under leases/contract cancellation	Discontinued Operations	
Long term loans	735.297	-933	0	0	56	2.010	0	0	736.430
Short term loans	38.929	-31.066	0	24.160	45	-2.010	0	-3.006	27.052
Long term lease liabilities	1.797	-3.206	14.768	672	126	-4.144	1.682	0	11.695
Short term lease liabilities	1.726	-203	264	0	-12	4.144	0	0	5.919
Total liabilities from financing activities	**777.749**	**-35.408**	**15.032**	**24.832**	**215**	**0**	**1.682**	**-3.006**	**781.096**

GROUP	Balance 31/12/2017	Cash flows	Non cash adjustments					Balance 31/12/2018
			Accrued interest	Foreign exchange differences	Transfers	Purchases of fixed assets under leases	Issuing costs/Repurchase results	
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 lease liabilities	1.389	-1.478	0	70	0	1.816	0	1.797
Short term lease liabilities	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**

2.18 SHARED BASED BENEFITS

The Group had no active option plan during the six months of 2019.

2.19 FINANCIAL ASSETS AND LIABILITIES

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

30/6/2019	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	81.314	0	0	**81.314**
Provisions for doubtful receivables	-13.034	0	0	**-13.034**
Receivables from related parties	16.018	0	0	**16.018**
Provisions for doubtful receivables	-6.750	0	0	**-6.750**
Pledged bank deposits	406	0	0	**406**
Tax receivables	16.294	0	0	**16.294**
Prepaid expenses and other receivable	34.060	0	0	**34.060**
Provisions for doubtful receivables	-3.543	0	0	**-3.543**
Other quoted financial assets	0	537	0	**537**
Other unquoted financial assets	0	14.684	0	**14.684**
Total	**124.765**	**15.221**	**0**	**139.986**
Long term	4.120	15.221	0	**19.341**
Short term	120.645	0	0	**120.645**
Total	**124.765**	**15.221**	**0**	**139.986**

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**

30/6/2019	GROUP			
Financial liabilities	**Financial liabilities measured at amortized cost**	**Financial liabilities at fair value through profit and loss**	**Financial liabilities at fair value through other comprehensive income**	**Total**
Creditors	32.988	0	0	**32.988**
Payables to related parties	4.988	0	0	**4.988**
Other liabilities	49.166	0	0	**49.166**
Borrowing and lease liabilities	781.096	0	0	**781.096**
Total	**868.238**	**0**	**0**	**868.238**
Long term	750.106	0	0	**750.106**
Short term	118.132	0	0	**118.132**
Total	**868.238**	**0**	**0**	**868.238**

31/12/2018	GROUP			
Financial liabilities	**Financial liabilities measured at amortized cost**	**Financial liabilities at fair value through profit and loss**	**Financial liabilities at fair value through other comprehensive income**	**Total**
Creditors	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 lease liabilities	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**

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

30/6/2019	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	41.131	0	0	**41.131**
Provisions for doubtful receivables	-6.734	0	0	**-6.734**
Receivables from related parties	68.795	0	0	**68.795**
Provisions for doubtful receivables	-33.255	0	0	**-33.255**
Pledged bank deposits	157	0	0	**157**
Tax receivables	8.312	0	0	**8.312**
Prepaid expenses and other receivable	8.384	0	0	**8.384**
Provisions for doubtful receivables	-778	0	0	**-778**
Other quoted financial assets	0	46	0	**46**
Other unquoted financial assets	0	123	0	**123**
Total	**86.012**	**169**	**0**	**86.181**
Long term	121	169	0	**290**
Short term	85.891	0	0	**85.891**
Total	**86.012**	**169**	**0**	**86.181**

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**

30/6/2019	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	9.883	0	0	**9.883**
Payables to related parties	24.065	0	0	**24.065**
Other liabilities	2.190	0	0	**2.190**
Borrowing and lease liabilities	279.364	0	0	**279.364**
Total	**315.502**	**0**	**0**	**315.502**
Long term	278.949	0	0	**278.949**
Short term	36.553	0	0	**36.553**
Total	**315.502**	**0**	**0**	**315.502**

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 lease liabilities	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**

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 June30, 2019 and December 31, 2018:

	GROUP			
	Carrying Amount		Fair Value	
Financial Assets	**30/6/2019**	**31/12/2018**	**30/6/2019**	**31/12/2018**
Other long-term financial assets - classified as "equity instruments at fair value through other comprehensive income "	15.221	16.042	15.221	16.042
Other long-term receivables	4.120	8.832	4.120	8.832
Trade and other short-term receivables	120.645	133.864	120.645	133.864
Other short-term financial assets classified as "debt instruments at amortized cost"	0	637	0	634
Cash and cash equivalents	128.712	162.461	128.712	162.461
Total	**268.698**	**321.836**	**268.698**	**321.833**
Financial Liabilities				
Long-term loans	736.430	735.297	420.038	511.163
Other long-term liabilities	1.981	2.256	1.981	2.256
Long term lease liabilities	11.695	1.797	11.695	1.797
Trade and other short term payables	85.161	96.780	85.161	96.780
Short-term loans and lease liabilities	32.971	40.655	27.997	37.092
Total	**868.238**	**876.785**	**546.872**	**649.088**

	COMPANY			
	Carrying Amount		Fair Value	
Financial Assets	**30/6/2019**	**31/12/2018**	**30/6/2019**	**31/12/2018**
Other long-term financial assets - classified as "equity instruments at fair value through other comprehensive income "	169	1.213	169	1.213
Other long-term receivables	121	146	121	146
Trade and other short-term receivables	85.891	110.370	85.891	110.370
Cash and cash equivalents	24.083	33.146	24.083	33.146
Total	**110.264**	**144.875**	**110.264**	**144.875**
Financial Liabilities				
Long-term loans	277.116	286.380	277.116	286.380
Other long-term liabilities	220	273	220	273
Long term lease liabilities	1.613	0	1.613	0
Trade and other short term payables	35.918	45.276	35.918	45.276
Short term loans and lease liabilities	635	0	635	0
Total	**315.502**	**331.929**	**315.502**	**331.929**

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

Fair value hierarchy

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

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

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

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

The Group and the Company held on 30/6/2019 the following assets and liabilities measured at fair value:

GROUP	Fair Value 30/6/2019	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"	**15.221**	**537**	**0**	**14.684**
- Quoted securities	*537*	*537*	*0*	*0*
- Unquoted securities	*14.684*	*0*	*0*	*14.684*
Other financial assets classified as "debt instruments at amortized cost"	**0**	**0**	**0**	**0**
- Quoted securities	*0*	*0*	*0*	*0*
- Unquoted securities	*0*	*0*	*0*	*0*
Derivative financial instruments	**0**	**0**	**0**	**0**
Financial liabilities measured at fair value				
Derivative financial instruments	**0**	**0**	**0**	**0**

COMPANY	Fair Value 30/6/2019	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"	**169**	**46**	**0**	**123**
- Quoted securities	*46*	*46*	*0*	*0*
- Unquoted securities	*123*	*0*	*0*	*123*
Derivative financial instruments	**0**	**0**	**0**	**0**
Financial liabilities measured at fair value				
Derivative financial instruments	**0**	**0**	**0**	**0**

During 2019 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 31/12/2018 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**	**298**	**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 2 in the hierarchy of fair value or transfer in and out of Level 3.

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

Unquoted securities	GROUP	COMPANY
Balance 1/1/2018	**20.838**	**1.183**
Period purchases	175	0
Fair value revaluation	2.437	0
Exchange shares with software	-4.400	0
Return of capital	-3.130	0
Foreign exchange differences	-11	0
Balance 31/12/2018	**15.909**	**1.183**
Sales	-2.485	-2.328
Fair value revaluation	1.268	1.268
Foreign exchange differences	-8	0
Balance 30/6/2019	**14.684**	**123**

Quoted securities	GROUP	COMPANY
Balance 1/1/2018	**914**	**0**
Fair value revaluation	90	0
Period purchases	497	0
Sales	-815	0
Foreign exchange differences	-214	0
Balance 31/12/2018	**472**	**0**
Fair value revaluation	22	0
Sales	-472	0
Foreign exchange differences	-22	0
Balance 30/6/2019	**0**	**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 leases, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.
- The Group uses derivative financial instruments such as forward currency contracts, interest rate swaps, currency swaps and other derivatives in order to hedge risks related to interest rates and foreign currency fluctuations. Such derivative financial instruments are measured at fair value at each reporting date. The fair value of these derivatives is measured mainly by reference of the market value and is verified by the financial institutions.

Description of significant unobservable inputs to valuation:

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

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

Valuation method	Significant unobservable inputs	Range (Weighted Average) 31/12/2018	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.

2.20 SUPPLEMENTARY INFORMATION

A. BUSINESS COMBINATION AND METHOD OF CONSOLIDATION

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

I. Full consolidation		Domicile	Nature of business	% Direct Part'n	% Indirect Part'n	% Total Part'n
	INTRALOT S.A.	Maroussi, Greece	Holding company / Technology and support services	Parent	Parent	-
3.	BETTING COMPANY S.A.	Maroussi, Greece	Technology and support services	95%	5%	100%
23.	BETTING CYPRUS LTD	Nicosia, Cyprus	Technology and support services		100%	100%
	INTRALOT IBERIA HOLDINGS SA	Madrid, Spain	Holding company	100%		100%
27.	INTRALOT JAMAICA LTD	Kingston, Jamaica	Technology and support services		100%	100%
27.	INTRALOT TURKEY A.S.	Istanbul, Turkey	Technology and support services	50%	49,99%	99,99%
27.	INTRALOT DE MEXICO LTD	Mexico City, Mexico	Technology and support services		99,8%	99,8%
27.	INTRALOT CHILE SPA	Santiago, Chile	Technology and support services		100%	100%
27.	INTELTEK INTERNET AS	Istanbul, Turkey	Management contracts	20%	25%	45%
	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%
	INTRALOT INTERACTIVE S.A.	Maroussi, Greece	Technology and support services	100%		100%
	INTRALOT GLOBAL SECURITIES B.V.	Amsterdam, Netherlands	Holding company	100%		100%
1.	INTRALOT CAPITAL LUXEMBOURG S.A.	Luxembourg, Luxembourg	Financial services		100%	100%
1,2,3,4.	INTRALOT GLOBAL HOLDINGS B.V.	Amsterdam, Netherlands	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%
34.	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%

I. Full consolidation		Domicile	Nature of business	% Direct Part'n	% Indirect Part'n	% Total Part'n
5.	TECNO ACCION S.A.	Buenos Aires, Argentina	Technology and support services		50,01%	50,01%
5.	TECNO ACCION SALTA S.A.	Buenos Aires, Argentina	Licensed operations		50,01%	50,01%
5.	MALTCO LOTTERIES LTD	Valetta, Malta	Licensed operations		73%	73%
5.	INTRALOT NEW ZEALAND LTD	Wellington, New Zealand	Technology and support services		100%	100%
5.	INTRALOT DO BRAZIL LTDA	Sao Paulo, Brazil	Licensed operations		80%	80%
14.	OLTP LTDA	Rio de Janeiro, Brazil	Licensed operations		80%	80%
5.	INTRALOT GERMANY GMBH	Munich, Germany	Technology and support services		100%	100%
5.	INTRALOT SOUTH KOREA S.A.	Seoul, S. Korea	Technology and support services		100%	100%
5.	INTRALOT FINANCE UK LTD	London, United Kingdom	Financial services		100%	100%
5,3.	INTRALOT ASIA PACIFIC LTD	Hong Kong, China	Technology and support services	31,87%	68,13%	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%

I. Full consolidation		Domicile	Nature of business	% Direct Part'n	% Indirect Part'n	% Total Part'n
	INTRALOT HOLDINGS INTERNATIONAL LTD	Nicosia, Cyprus	Holding company	100%		100%
2.	INTRALOT INTERNATIONAL LTD	Nicosia, Cyprus	Technology and support services		100%	100%
3.	INTRALOT OPERATIONS LTD	Nicosia, Cyprus	Technology and support services		100%	100%
2,4.	NETMAN SRL	Bucharest, Romania	Management contracts		100%	100%
2.	BILOT EOOD	Sofia, Bulgaria	Holding company		100%	100%
20.	EUROFOOTBALL LTD	Sofia, Bulgaria	Licensed operations		49%	49%
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 [1]	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		20%	20%

II. Equity method		Domicile	Nature of business	% Direct Part'n	% Indirect Part'n	% Total Part'n
31.	TOPPLAY S.R.L.	Rome, Italy	Licensed operations		20%	20%
31.	GNETWORK S.R.L.	Rome, Italy	Licensed operations		20%	20%
31.	BILLIONS ITALIA S.R.L.	Rome, Italy	Licensed operations		10,20%	10,20%
31.	JOLLY VIDEOGIOCHI S.R.L.	Rome, Italy	Licensed operations		16,98%	16,98%
33.	ROSILSPORT S.R.L.	Milan, Italy	Technology and support services		12,74%	12,74%
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. [1]	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 the company:

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

[1] As at 1/1/2019, the associate company Intralot Italia S.p.A. (20%) absorbed GoldBet S.p.A. (100% subsidiary of Gamenet S.p.A.). As at 1/5/2019 the associate company Intralot Italia S.p.A was renamed to GoldBet S.p.A..

[2] The Group consolidated on 30/6/2019 the Gamenet Group S.p.A. using the equity method and the financial statements for the period 1/10/2018-31/3/2019 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. Gamenet Group S.p.A. consolidates for the first time Goldbet S.p.A. as at 1/10/2018 after the completion of the acquisition. Intralot Group consolidates for the first time in the financial statement of the first quarter of 2019 pursuant to IAS 28 paragraph 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., Gameway Ltd, Intralot De Mexico Ltd, Intralot Services S.A., Intralot South Korea S.A., Intralot OOO and Gain Advance Group LTD are under liquidation process.

On 30/6/2019, 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

Goldbet - Italy

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. The Group consolidated Goldbet for the first time as at 31/3/2019 in its financial statements 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.

IV. New Companies of the Group

The Group did not establish any new entity in the first half of 2019.

V. Changes in ownership percentage

In January 2019 the associate company Gamenet Entertainment S.R.L. (20%) increased the percentage participation in La Chance S.R.L. to 100% through the acquisition of additional percentage from the non controlling interest. In February 2019 the associate company Gamenet S.p.A. (20%) increased the percentage participation in Jolly Videogiochi S.R.L. to 84,9% by 70% through the acquisition of additional percentage from the non controlling interest.

VI. Subsidiaries' Share Capital Increase

During the six months of 2019 the Group completed a share capital increase through payment in cash in Netman SRL amounting €171 thousand.

VII. Strike off - Disposal of Group Companies

The Group completed the liquidation and strike off of its subsidiaries Intralot Guatemala S.A. (January 2019), Gaming Solutions International Ltda (January 2019), Intralot Hong Kong Holdings Ltd (March 2019), Atropos S.A. (March 2019), Lebanese Games S.A.L. (May 2019), Poldin Ltd (May 2019), Loterias y Apuestas De Guatemala S.A. (June 2019) and Intralot Slovakia S.R.O.(June 2019). In May 2019 liquidation and strike off of the associate Topplay S.R.L. was completed.

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 1/1-30/6/2018 (in 2018 it was consolidated with the full consolidation method until 31/12/2018):

	1/1-30/6/2018
Sale proceeds	82.151
Expenses	-71.739
Other operating income	94
Other operating expenses	0
EBIT	**10.506**
EBITDA	**10.670**
Income / (expense) from participations and investments	0
Gain/(loss) from assets disposal, impairment loss and write-off of assets	0
Interest and similar expenses	-21
Interest and similar income	102
Exchange Differences	6
Profit/(loss) before tax	**10.593**

Income tax	-4.985
	5.608
Gain/(loss) from disposal of discontinued operations	0
Relevant taxes	0
Gain/(loss) after taxes from discontinued operations	**5.608**
Attributable to:	
Equity holders of the parent Company	2.360
Non-controlling interest	3.248

Below are presented the results of discontinued operations of the Group in Azerbaijan for the period 1/4-30/6/2018 (in 2018 it was consolidated with the full consolidation method until 31/12/2018):

	1/4-30/6/2018
Sale proceeds	41.913
Expenses	-36.998
Other operating income	4
Other operating expenses	13
EBIT	**4.932**
EBITDA	**5.010**
Income / (expense) from participations and investments	0
Gain/(loss) from assets disposal, impairment loss and write-off of assets	0
Interest and similar expenses	-10
Interest and similar income	43
Exchange Differences	9
Profit/(loss) before tax	**4.974**
Income tax	-2.532
	2.442
Gain/(loss) from disposal of discontinued operations	0
Relevant taxes	0
Gain/(loss) after taxes from discontinued operations	**2.442**
Attributable to:	
Equity holders of the parent Company	1.052
Non-controlling interest	1.390

The consideration price of Azerinteltek AS amounted to €19.530 thousand and was repaid in December 2018.

Below are presented the net cash flows of the discontinued operations in Azerinteltek AS:

	1/1-30/6/2018
Operating activities	6.153
Investing activities	-48
Financing activities	-2.887
Effect from exchange differences	159
Net increase / (decrease) in cash and cash equivalents for the period	**3.377**

B) Poland

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. The aforementioned subsidiary is presented in the geographic operating segment "European Union" (Note 2.2). Since, 31/3/2019 the Group's above activities in Poland were classified as assets held for sale and discontinued operations pursuant to IFRS 5. The transfer of Totolotek SA shares was completed at the end of April 2019 and the Group consolidated it by 30/4/2019.

Below are presented the results of discontinued operations of the Group in Poland (Totolotek SA) for the period 1/1-30/4/2019 (in 2019 it was consolidated with the full consolidation method until 30/4/2019) and respectively for 2018:

	1/1-30/4/2019	1/1-30/6/2018
Sale proceeds	28.586	43.943
Expenses	-30.589	-44.738
Other operating income	78	153
Other operating expenses	-22	-29
EBIT	**-1.947**	**-671**
EBITDA	**-1.845**	**-402**
Income / (expense) from participations and investments	0	0
Gain/(loss) from assets disposal, impairment loss and write-off of assets	-7	-3
Interest and similar expenses	-83	-144
Interest and similar income	1	14
Exchange Differences	-30	-640
Profit/(loss) before tax	**-2.066**	**-1.444**
Income tax	0	0
	-2.066	**-1.444**
Gain/(loss) from disposal of discontinued operations	7.349	0
Relevant taxes	0	0
Gain/(loss) after taxes from discontinued operations	**5.283**	**-1.444**
Attributable to:		
Equity holders of the parent Company	5.283	-1.359
Non-controlling interest	0	-85

Below are presented the results of discontinued operations of the Group in Poland (Totolotek SA) for the period 1/4-30/4/2019 (in 2019 it was consolidated with the full consolidation method until 30/4/2019) and respectively for 2018:

	1/4-30/4/2019	1/4-30/6/2018
Sale proceeds	7.052	21.405
Expenses	-7.690	-21.638
Other operating income	23	65
Other operating expenses	-8	-7
EBIT	**-623**	**-175**
EBITDA	**-598**	**-34**
Income / (expense) from participations and investments	0	0
Gain/(loss) from assets disposal, impairment loss and write-off of assets	-1	-2
Interest and similar expenses	-22	-66
Interest and similar income	0	12
Exchange Differences	-22	-508
Profit/(loss) before tax	**-668**	**-739**
Income tax	0	0
	-668	**-739**
Gain/(loss) from disposal of discontinued operations	7.349	0
Relevant taxes	0	0
Gain/(loss) after taxes from discontinued operations	**6.681**	**-739**
Attributable to:		
Equity holders of the parent Company	6.681	-704

Non-controlling interest	0	-35

The final consideration for the disposal of Totolotek SA amounted to approximately €8,0 million, including the contingent consideration, in case of meeting certain terms and requirements within 2 years, amounting to approximately €1,8 million on a discounted basis (€2,0 million in future value). From the above consideration amount approximately €5,5 million was paid in the first six-months of 2019 and amount approximately €0,8 million in July 2019. The net assets held for sale (including non-controlling interests and foreign exchange reserves) of Totolotek SA amounted on 30/4/2019 to €1,2 million, forming the gross gain from disposal of discontinued operations to €7,4 million. By subtracting foreign exchange differences that have been reclassified from the foreign exchange reserve in the Group's income statement, net gain from disposal of discontinued operations amounted to €6,8 million, 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 fisrt six months of 2019 form the disposal of discontinued operations in Poland amounted to €4,3 million, consisting of the consideration and the derecognition of Totolotek SA cash equivalents.

Below are presented the net cash flows of the discontinued operations in Totolotek SA:

	1/1-30/4/2019	1/1-30/6/2018
Operating activities	-1.299	133
Investing activities	-1.740	-173
Financing activities	1.336	-151
Effect from exchange differences	3	-67
Net increase / (decrease) in cash and cash equivalents for the period	**-1.700**	**-258**

Below are presented the Profit / (loss) after tax per share of the discontinued operations of the Group subsidiaries in Azerinteltek AS and Totolotek SA:

Earnings / (loss) after tax per share (€) from discontinued operations	1/1-30/6/2019	1/1-30/6/2018
- basic	0,0358	0,0064
- diluted	0,0358	0,0064
Weighted Average number of shares	147.761.688	156.194.331

IX. Companies merge

As at 1/1/2019, the associate company Intralot Italia S.p.A. (20%) absorbed GoldBet S.p.A. (100% subsidiary of Gamenet S.p.A.). As at 1/5/2019 the associate company Intralot Italia S.p.A. (20%) was renamed to GoldBet S.p.A..

B. REAL LIENS

A Group subsidiary in Malta has banking facility amounting €4,3 million, for issuing bank letters of guarantee. This facility is secured by an initial general mortgage on all the subsidiary's present and future assets (on 30/6/2019 the letters of guarantee used amounted to €4,0 million). Also, a Group subsidiary in Bulgaria has secured a loan of €1,0 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 June 30, 2019, the Group had no contractual commitments for the purchase of tangible assets.

In the Group Statement of Financial Position (row "Trade and other short term receivables") of 30/6/2019 are included collateralized bank deposits as security coverage for banking facilities amounting €30 thousand (31/12/2018: €30 thousand) and other collateralized bank deposits amounting to €376 thousand (31/12/2018: €359 thousand). Respectively, for the Company on 30/6/2019 are included collateralized bank deposits as security coverage for banking facilities amounting €30 thousand (31/12/2018: €30 thousand) and other collateralized bank deposits amounting to €127 thousand (31/12/2018: €129 thousand).

C. PROVISIONS

GROUP	Litigation cases [1]	Unaudited fiscal years and tax audit expenses [2]	Other provisions [3]	Total provisions
Period opening balance	**4.455**	**3.572**	**4.884**	**12.911**
Period additions	3	0	387	**390**
Utilised provisions	-7	-461	-629	**-1.097**
Sale of subsidiaries	0	0	-494	**-494**
Foreign exchange differences	91	5	-126	**-30**
Period closing balance	**4.542**	**3.116**	**4.022**	**11.680**
Long term provisions	**4.426**	**3.116**	**89**	**7.631**
Short term provisions	**116**	**0**	**3.933**	**4.049**
Total	**4.542**	**3.116**	**4.022**	**11.680**

[1] Relate to litigation cases as analyzed in note 2.21.A.
[2] Relate to provisions for the coverage of differences from future audits for income taxes and other taxes. It is expected to be used in the next 1-3 years.
[3] Relate to provisions for risks none of which are individually material to the Group except from provisions for additional fees (bonus) and other employee benefits of the Group amounting to €1.628 thousand as well as provisions amounting to €1.784 for earned winnings which relate to sports betting prices and guaranteed future numerical games jackpots The Other provisions are expected to be used in the next 1-6 years.

COMPANY	Litigation cases [1]	Unaudited fiscal years and tax audit expenses [2]	Other provisions	Total provisions
Period opening balance	**4.391**	**3.115**	**91**	**7.597**
Utilised Provisions	-7	0	0	**-7**
Foreign exchange differences	96	0	0	**96**
Period closing balance	**4.480**	**3.115**	**91**	**7.686**
Long term provisions	**4.427**	**3.115**	**0**	**7.542**
Short term provisions	**53**	**0**	**91**	**144**
Total	**4.480**	**3.115**	**91**	**7.686**

[1] Relate to litigation cases as analyzed in note 2.21.A.
[2] Relate to provisions for the coverage of differences from future audits for income taxes and other taxes. It is expected to be used in the next 1-3 years.

D. PERSONNEL EMPLOYED

The number of employees of the Group on 30/6/2019 amounted to 4.561 persons (Company/subsidiaries 2.384 and associates 2.177) and the Company's to 656 persons. Respectively on 30/6/2018 the number of employees of the Group amounted to 5.132 persons (Company/subsidiaries 3.054 and associates 2.078) and the Company 682 persons. At the end of 2018 fiscal year the number of employees of the Group amounted to 5.187 persons (Company/subsidiaries 3.021 and associates 2.166) and the Company 691 persons.

E. RELATED PARTY DISCLOSURES

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

Below is a condensed report of the transactions for the six months of 2019 and the balances on 30/6/2019 of other related parties:

Amounts reported in thousands of € (total operations)	1/1-30/6/2019 GROUP	COMPANY
Income		
-from subsidiaries	0	21.545
-from associates and joint ventures	2.185	3.432
-from other related parties	4.142	2.436
Expenses		
-to subsidiaries	0	10.516
-to associates and joint ventures	0	0
-to other related parties	7.150	4.872
BoD and Key Management Personnel transactions and fees	3.765	2.460

Amounts reported in thousands of €	30/6/2019 GROUP	COMPANY
Receivables		
-from subsidiaries	0	59.338
-from associates and joint ventures	10.065	6.538
-from other related parties	5.924	2.919
Payables		
-to subsidiaries	0	297.716
-to associates and joint ventures	0	0
-to other related parties	7.764	5.252
BoD and Key Management Personnel receivables	29	0
BoD and Key Management Personnel payables	127	0

Below there is a summary of the transactions for the six months of 2018 and the balances on 31/12/2018 with related parties:

Amounts reported in thousands of € (total operations)	1/1-30/6/2018 GROUP	COMPANY
Income		
-from subsidiaries	0	19.010
-from associates and joint ventures	2.762	3.158
-from other related parties	4.472	2.594
Expenses		
-to subsidiaries	0	10.256
-to associates and joint ventures	33	11
-to other related parties	5.288	2.074
BoD and Key Management Personnel transactions and fees	3.625	2.195

Amounts reported in thousands of €	31/12/2018 GROUP	COMPANY
Receivables		
-from subsidiaries	0	76.874
-from associates and joint ventures	10.869	7.350
-from other related parties	11.603	8.669
Payables		
-to subsidiaries	0	308.351
-to associates and joint ventures	1	0
-to other related parties	10.325	7.179
BoD and Key Management Personnel receivables	23	0
BoD and Key Management Personnel payables	456	220

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

In the six months of 2019, the Company made a provision concerning an estimate of reduction of the recoverable value of receivables from subsidiaries amounting to €0,2 million that were recorded in the income statement of the period while at the same time it used provisions of previous years amounting €1,4 million due to the sale of Totolotek S.A..

Alongside, the Company made a reversal of provisions regarding an estimate for reduction in the recoverable amount of receivables from subsidiaries amounting €0,2 million, due to the capitalization of the relevant receivables from the subsidiaries and was recorded in the income statement of the period.

The cumulative provisions of 30/6/2019 was amounted to €27,2 million (31/12/2018: €28,6 million).

2.21 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. 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 (€92.804,87) 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.

d. 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 (€6,5m). 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.

e. 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.

f. 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.

g. 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 (€1.170.579,39) and to the subsidiary LOTROM to 512.469 RON (€108.245,99). 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 when it was postponed for the 26th of September 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 initially on 7 April 2020 and then on 10 March 2020.

h. 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.

i. 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. At the beginning of May 2019, Intralot Group announced the completion of the sale of "Totolotek SA" to Merkur Sportwetten GmbH, a subsidiary of the Gauselmann Group based in Espelkamp, Germany.

j. 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.

k. 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.

l. 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 which was rejected with the decision no. 3153/2019 of the Athens Court of Appeal.
Moreover, Intralot filed a recourse to the arbitration panel on 13 August 2012 against the same company ODIE requesting the payment of the amount of €9.551.527,34 relating to operational services of integrated system provided but not paid. The arbitration was concluded on 1st March 2013 and the arbitration decision no 27/2013 was issued vindicating Intralot and compelling ODIE to pay to Intralot the total amount requested (€9.551.527,34). In order to secure its claims, Intralot:
a) by virtue of the above arbitration decision, has already recorded on the mortgage books of the Land Registry Office of Kropia a mortgage on a land property of ODIE and specifically on the property where the Horse Racetrack of Athens in Markopoulo Attica is operating, and on the buildings thereupon, for an amount of €11.440.655,35.

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

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

Furthermore, on 20 March 2014, Intralot filed before the Athens Multi-member Court of First Instance a lawsuit against ODIE requesting the payment of the amount of €8.043.568,69 which is owed to it pursuant to the "Agreement of Maintenance and Operation of the System of the Mutual Betting on Horse Races of ODIE" dated 6 March 2012. The 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.

m. 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.

n. 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 (€202.817,91) 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. At the beginning of May 2019, Intralot Group announced the completion of the sale of "Totolotek SA" to Merkur Sportwetten GmbH, a subsidiary of the Gauselmann Group based in Espelkamp, Germany.

o. 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 and was accepted by the court. Against this decision Econocom Nederland B.V. filed an appeal which is pending.

p. 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 (€836.586,07) for unpaid invoices and the amount of 3.210.848,10 RON (€678.209,68) for delay penalties until 11.7.2017 and additional delay penalties from 11.7.2017 until payment. The arbitration procedure which was issued in July 2019 obliges Intralot to pay to "INTRAROM SA" the amount of 2.307.744,73 RON (€487.452,15). Intralot has acknowledged sufficient provisions in its financial statements with regards to this case.

q. In Cyprus, the National Betting Authority had suspended the Class A license of the company Royal Highgate Pcl Ltd. in which the Company has an indirect participation of approx. 35,08%, initially for a period of two months, alleging non-compliance of Royal Highgate Pcl Ltd. with specific terms of the license. 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 for hearing on 9 October 2019. 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.

r. 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 (€30,8m). 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 which are pending. The third similar lawsuit was rejected finally by the court. 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.

s. 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. Both parties filed appeals against this decision which are scheduled to be heard on 7 January 2020. The second lawsuit 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.

t. In Morocco, a judgment was notified to the subsidiary company Intralot Maroc deciding the payment of the amount of 3.360.000 MAD (€308.488,95) to a supplier company. The company Intralot Maroc filed an appeal which is was accepted and, therefore, Intralot Maroc does not owe this amount.

u. 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. The arbitration procedure is in progress.

Until August 29, 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) SUBSIDIARIES

COMPANY	YEARS	COMPANY	YEARS
INTPAΛOT A.E.	2013-2018	WHITE EAGLE INVESTMENTS LTD	2017-2018
BETTING COMPANY S.A.	2013-2018	BETA RIAL Sp.Zoo	2014-2018
BETTING CYPRUS LTD	2013-2018	POLLOT Sp.Zoo	2014&2016-2018
INTRALOT IBERIA HOLDINGS SA	2014-2018	TOTOLOTEK S.A.	2014-2018
INTRALOT JAMAICA LTD	2010-2018	NIKANTRO HOLDINGS Co LTD	2013-2018
INTRALOT TURKEY A.S.	2014-2018	LOTERIA MOLDOVEI S.A.	2014-2018
INTRALOT DE MEXICO LTD	2009-2018	INTRALOT BETTING OPERATIONS (CYPRUS) LTD	2013-2018
INTRALOT CHILE SPA	2016-2018	ROYAL HIGHGATE LTD	2013-2018
INTELTEK INTERNET AS	2014-2018	INTRALOT LEASING NEDERLAND B.V.	2013-2018
INTRALOT SERVICES S.A.	2015-2018	INTRALOT IRELAND LTD	2014-2018
INTRALOT ADRIATIC DOO	2015-2018	BILOT INVESTMENT LTD	2016-2018
BILYONER INTERAKTIF HIZMELTER AS GROUP	2015-2018	EUROBET LTD	2013-2018
INTRALOT MAROC S.A.	2018	EUROBET TRADING LTD	2014-2018
INTRALOT INTERACTIVE S.A.	2013-2018	ICS S.A.	2013-2018
INTRALOT GLOBAL SECURITIES B.V.	2013-2018	TECNO ACCION URUGUAY S.A. (Pilmery Corporation S.A.)	2016-2018
INTRALOT CAPITAL LUXEMBOURG S.A.	2018	INTRALOT GLOBAL OPERATIONS B.V.	2016-2018
INTRALOT FINANCE LUXEMBOURG S.A. [1]	2017-2018	GARDAN LTD	-
INTRALOT GLOBAL HOLDINGS B.V.	2013-2018	GAMEWAY LTD	2016-2018
INTRALOT INC	2016-2018	INTRALOT ITALIAN INVESTMENTS B.V.	2017-2018
DC09 LLC	2016-2018	BIT8 LTD	2013-2018
INTRALOT AUSTRALIA PTY LTD	2014-2018	INTRALOT CYPRUS GLOBAL ASSETS LTD	2013-2018
INTRALOT GAMING SERVICES PTY	2014-2018	INTRALOT OOO	2016-2018
ILOT CAPITAL UK LTD	2017-2018	INTRALOT ST. LUCIA LTD	2012-2018
ILOT INVESTMENT UK LTD	2017-2018	INTRALOT HOLDINGS INTERNATIONAL LTD	2013-2018
INTRALOT NEDERLAND B.V.	2010-2018	INTRALOT INTERNATIONAL LTD	2013-2018
INTRALOT BENELUX B.V.	2018	INTRALOT OPERATIONS LTD	2013-2018
LOTROM S.A.	2013-2018	NETMAN SRL	2013-2018
INTRALOT BEIJING Co LTD	2007-2018	BILOT EOOD	2013-2018
TECNO ACCION S.A.	2013-2018	EUROFOOTBALL LTD	2013-2018
TECNO ACCION SALTA S.A.	2015-2018	INTRALOT TECHNOLOGIES LTD	2013-2018
MALTCO LOTTERIES LTD	2013-2018	INTRALOT LOTTERIES LTD	2013-2018
INTRALOT NEW ZEALAND LTD	2013&2017-2018	INTRALOT BUSINESS DEVELOPMENT LTD	2013-2018
INTRALOT DO BRAZIL LTDA	2014-2018	GAMING SOLUTIONS INTERNATIONAL SAC	2014-2018
OLTP LTDA	2014-2018	NAFIROL S.A.	-

INTRALOT GERMANY GMBH	2018	ENTERGAMING LTD	-
INTRALOT SOUTH KOREA S.A.	2007-2018	INTRALOT BETTING OPERATIONS RUSSIA LTD	2013-2018
INTRALOT FINANCE UK LTD	2017-2018	INTRALOT DE COLOMBIA (BRANCH)	2014-2018
INTRALOT ASIA PACIFIC LTD	2017-2018		

[1] Intralot Finance Luxembourg S.A. was merged with Intralot Capital Luxembourg S.A.

A tax audit is completed in Inteltek Internet AS for the period 2014-2015 as well as a VAT audit for the first quarter in Intralot OOO. A tax audit is in progress in Bilyoner İnteraktif Hizmetler A.Ş. for the period 2015-2017 as well as a VAT audit in Intralot Leasing Nederland B.V. for the period 1/1/2013 – 30/06/2014. 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 Maroc SA notification of tax audit and VAT was served in the second semester of 2018 for the years 2016&2017 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 €461 thousand in the last quarter of 2018. During the second quarter of 2019 the outcome of the tax audit was notified which imposed fines and penalties of amount €1.280 thousand of which €793 thousand was paid during the first half of 2019 and the remaining amount is expected to be repaid until the end of September. Last, a limited tax review for the years 2016&2017 was completed in Intralot Iberia Holdings S.A.. 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 amounting to €3,9 million. The Company lodged an administrative appeal against the relevant control sheets resulting in a reduction of taxes of €3,34 million. The Company filed new appeals to the Greek Administrative Courts which did not justify the Company, which filed an appeal before the Council of State. The Company's management and its legal advisors consider that there is a significant probability that the appeal will thrive finally for the most part. The Company has formed sufficient provisions and has paid the whole amount of taxes. In Intralot S.A. an audit order has been notified to the Company for the year 2013 and for a partial audit for the periods 2011 & 2012 as well as a partial audit on VAT for the period 01/02/2010 -31/10/2012 on request for assistance from the Romanian to the Greek tax authorities on transactions with a Romanian company.

II) ASSOCIATE COMPANIES & JOINT VENTURES

COMPANY	YEARS	COMPANY	YEARS
LOTRICH INFORMATION Co LTD	2018	LA CHANCE S.R.L.	2016-2018
INTRALOT SOUTH AFRICA LTD	2018	SLOT PLANET S.R.L. [3]	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. [4]	2014-2018
GAMENET S.p.A.	2014-2018	KARENIA ENTERPRISES COMPANY LTD	2010-2018
INTRALOT ITALIA S.p.A	2014-2018	INTRALOT DE PERU SAC	2015&2017-2018

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.
3 The company Slot Planet S.R.L. have been merged with La Chance S.R.L.
4 The company GoldBet S.p.A. was merged with Intralot Italia S.p.A. as at 1/1/2019. As at 1/5/2019 Intralot Italia S.p.A. was renamed to GoldBet S.p.A.

In Servicios Transdata S.A the tax audit for income tax was completed in 2014, for the year 2008 and VAT for the period 1/1/2008-30/6/2009 imposing additional taxes and fines amounting to €3,4 million. The company has launched an objection procedure in accordance with the relevant legislation to cancel the imposed taxes and fines. The company's legal consultants believe that the most possible outcome of the case will be positive.

C. COMMITMENTS

I) Guarantees

The Company and the Group on June 30, 2019 had the following contingent liabilities from guarantees for:

	GROUP		COMPANY	
	30/6/2019	31/12/2018	30/6/2019	31/12/2018
Bid	275	8.734	275	0
Performance	145.383	148.565	33.111	33.183
Financing	9.203	4.410	2.824	120
Other	209	227	210	227
Total	**155.070**	**161.936**	**36.420**	**33.530**

	GROUP	
	30/6/2019	31/12/2018
Guarantees issued by the parent and affiliates:		
-to third party	155.070	161.936
-to third party on behalf of associates	0	0
Total	**155.070**	**161.936**

	COMPANY	
	30/6/2019	31/12/2018
Guarantees issued by the parent:		
- to third party on behalf of affiliates	34.005	31.373
- to third party on behalf of associates	0	0
- to third party on behalf of the parent	2.415	2.157
Total	**36.420**	**33.530**

Beneficiaries of Guarantees:
Bid: Hrvatska Lutrija D.O.O, La Marocaine des Jeux et des Sports
Performance: Arkansas Lottery Commission, Camelot Illinois LLC, 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, 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, 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, South Dakota Lottery, 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, Town of Greybull, Town of Jackson, City of Gillette, Turk Telekomunikasyon, Wyoming Lottery Corporation, Information society S.A., OPAP S.A.
Financing: Bogazici Kurumlar Vergi Dairesi Mudurlugu, Denizli 9.Icra Mudurlugu, State of Ohio - Department of Health, Hanseatische Immobilienfonds Gmbh, Storm Computers D.o.o., Airport EL. Venizelos Customs, Eleusis Customs
Other: Teknoloji Holdings

II) Lease commitments

GROUP	Minimum of the lease payments 30/6/2019	Present value of the minimum lease payments 30/6/2019	Minimum of the lease payments 31/12/2018	Present value of the minimum lease payments 31/12/2018
Within 1 year	6.712	5.919	1.828	1.726
Between 2 and 5 years	10.874	9.051	1.844	1.797
Over 5 years	3.619	2.644	0	0
Minus: Interest	-3.591	0	-149	0
Total	**17.614**	**17.614**	**3.523**	**3.523**

COMPANY	Minimum of the lease payments 30/6/2019	Present value of the minimum lease payments 30/6/2019	Minimum of the lease payments 31/12/2018	Present value of the minimum lease payments 31/12/2018
Within 1 year	735	635	0	0
Between 2 and 5 years	1.502	1.294	0	0
Over 5 years	368	319	0	0
Minus: Interest	-357	0	0	0
Total	**2.248**	**2.248**	**0**	**0**

III) 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 June 30, 2019 were:

GROUP	30/6/2019	31/12/2018
Within 1 year	1.086	2.010
Between 2 and 5 years	1.485	1.800
Over 5 years	154	221
Total	**2.725**	**4.031**

2.22 COMPARABLE FIGURES

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.

Amounts in thousand €	GROUP 1/1-30/6/2018			
	Initial Publication	Subsequent Discontinued Operations	Consideration Payable to Customers reclassification	Total

Sale Proceeds	547.618	-126.727	-11.830	409.061
Less: Cost of sales	-431.123	111.982	593	-318.548
Gross Profit / (loss)	**116.495**	**-14.745**	**-11.237**	**90.513**
Selling Expenses	-31.826	2.878	11.237	-17.711
EBIT	**48.270**	**-9.835**	**0**	**38.435**
EBITDA	**80.080**	**-10.268**	**0**	**69.812**

2.23 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- 30/6/2018) has not been restated since its first application was in the nine months of 2018.

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 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 the first half of 2019 following the application of IAS 29 amounted to a profit of €435 thousand and was recorded in the Income Statement (line "Gain/(loss) on net monetary position").

The conversion FX rates of the financial statements of the above subsidiaries were:

Statement of Financial Position:

	30/6/2019	31/12/2018	Change
EUR / ARS	48,30	43,10	12,1%

Income statement:

	AVG 1/1-30/6/2019	AVG 1/1-30/6/2018	Change
EUR / ARS[1]	48,30	26,08	85,2%

[1] The Income Statement of the first six months of 2019 of the Group's subsidiaries operating in Argentina was converted at the closing rate of 30/6/2019 instead of the Avg. 1/1-30/6/2019 pursuant to IAS 21, paragraph 42a, for hyperinflationary economies.

2.24 SIGNIFICANT FLUCTUATIONS, RECLASSIFICATIONS & REVERSALS

Income Statement

Below are the most significant fluctuations in the Group's Income Statement for the period 1/1- 30/6/2019 compared to 1/1-30/6/2018:

Sale proceeds

Sale proceeds decreased by €31,0 million, or by 7,6%, from €409,1 million in the period 1/1-30/6/2018 to €378,1 million in the period 1/1/-30/6/2019. This decrease was mainly driven by the decreased revenue in the segments "Licensed operations" and "Management contracts". Particularly, Sale proceeds decreased by €17,8 million in Bulgaria (driven mainly by Sports Betting performance as a result of a conservative payout strategy), by €11,8 million in Argentina (due to the negative FX impact and the application of IAS 29), by €10,9 million in Greece (primarily driven by the transition to the new OPAP contract), by €1,6 million in Turkey (due to the negative FX impact), by €1,0 million in Russia (due to the discontinued contract) and by €1,5 million in Morocco (performance mainly impacted by the decreased Numerical sales following the discontinuation of the contract with one of the two lotteries (SGLN)).

Sale proceeds increased by €11,2 million in USA (mainly driven by the contribution of our new contract in Illinois (mid-February) and of a Powerball jackpot occurred in the first quarter of 2019), by €1,5 million in Netherlands (due to improved Sports Betting performance), and by €1,1 million in Chile (a result of a significant Lotto jackpot in the first quarter of 2019).

Sale Proceeds for the period 1/1-30/6/2019 on a constant currency basis, net of negative FX impact of €28,0 million, amounted to €406,0 million meaning an decrease by 0,7% compared to the period 1/1-30/6/2018.

Gross Profit

Gross profit decreased by €14,2 million, or by 15,7%, from €90,5 million in the period 1/1-30/6/2018 to €76,3 million in the period 1/1/-30/6/2019. This decrease is mainly driven from the decrease in Sale proceeds from the negative FX impact as analyzed above, as well as the increased Cost of Sales, mainly due to the smaller scope of the OPAP contract with freed resources allocated towards the successful and efficient delivery of Group products under contracts' pipeline, as well as due to the increased depreciation because of the significant capex investments during the last two years, and the IFRS 16 first time application.

Other Operating Income

Other operating income increased by €2,8 million, or 39,4%, from €7,1 million in the six months period ended June 30, 2018 to €9,9 million in the six months period ended June 30, 2019. The major driver of this increase was the higher equipment lease income in USA.

Selling Expenses

Selling expenses increased by €3,5 million, or 19,8%, from €17,7 million in the six months period ended June 30, 2018 to €21,2 million in the six months period ended June 30, 2019. This increase was primarily due to higher training costs of the retailers' network for the roll out of the Illinois contract in USA, as well as higher advertising costs in Turkey.

Administrative Expenses

Administrative expenses increased by €4,9 million, or 14,0%, from €35,1 million in the six months period ended June 30, 2018 to €40,0 million in the six months period ended June 30, 2019. This increase was primarily due to higher costs in USA because of the Illinois contract launch.

Other operating expenses

Other operating expenses increased by €1,4 million, or by 40%, from €3,5 million in the period 1/1-30/6/2018 to €4,9 million in the period 1/1/-30/6/2019. This increase is mainly driven by the increased contractual penalties in Morocco.

EBITDA

EBITDA decreased by €11,1 million, or by 15,9%, from €69,8 million in the period 1/1-30/6/2018 to €58,7 million in the period 1/1/-30/6/2019. 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 operating expenses as analyzed above.

EBITDA for the period 1/1-30/6/2019 on a constant currency basis, net of negative FX impact of €8,1 million, amounted to €66,8 million meaning a decrease by 4,4% compared to the period 1/1-30/6/2018.

Income/(expenses) from participations and investments

Income/(expenses) from participations and investments remained relatevily unchanged for the period 1/1-30/6/2019.

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 €3,5 million, from loss €0,2 million in the period 1/1-30/6/2018 to loss €3,7 million in the period 1/1-30/6/2019. 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 2.10) of €3,0 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 increased by €1,5 million, or 5,9%, from €25,3 million in the six months period ended June 30, 2018 to €26,8 million in the six months period ended June 30, 2019. This increase was primarily due to the first time application in 2019 of IFRS 16 accounting for lease agreements.

Interest and Related Income

Interest and related income increased by €0,2 million, or 6,1% from €3,3 million in the six months period ended June 30, 2018 to €3,5 million in the six months period ended June 30, 2019, primarily due to higher interest income on bank deposits and debtors in 2019.

Exchange Differences

The account "Exchange Differences" in the period 1/1-30/6/2019 of €4,4 million mainly refers to gain of approximately €5,1 million from valuation of cash balances in foreign currency other than the functional currency of each entity, as well as loss of approximately €0,7 million from valuation of commercial and borrowing liabilities (intercompany and non) in EUR that various subsidiaries abroad had as at 30/6/2019, with a different functional currency than the Group.

Profit / (loss) from equity method consolidations

Profit from equity method consolidations amounted in the period 1/1-30/6/2019 to €3,5 million compared to profit of €3,0 thousand in the period 1/1-30/6/2018. This is mainly driven by Gamenet's improved outlook following Goldbet's acquisition.

Further analysis for the accounts Group Income Statement for the period 1/1-30/6/2019 compared to 1/1-30/6/2018 is provided in the SEMI-ANNUAL Group Management report ("INTRALOT Group MANAGEMENT'S DISCUSSION & ANALYSIS") for the first six months of 2019 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 30/6/2019 compared to the 31/12/2018.

Contract of OPAP technical support

Intralot Group relationship with Greek Organization of Football Prognostics S.A. (OPAP) began in 1999. On June 2014 The Group signed a four year technology contract with OPAP. Under this contract, the Group has undertaken the implementation of new Data Centers and the provision of hardware and system software as well as services for operation, maintenance, technical support and system development. On February 1, 2017 OPAP announced that they will not seek to renew their technology contract with the Group, which expires on July 30, 2018, and instead will appoint another technology provider. In December 2017, the Group and OPAP agreed the extension of their cooperation, specifically in the field of numerical lotteries that relates to a limited scope compared to the previous contract. New contract, starting on August 1, 2018 has a duration of three years and includes an option for OPAP to renew for an additional two years.

2.25 SUBSEQUENT EVENTS

In July 2019 INTRALOT announced that its U.S. subsidiary INTRALOT Inc, has signed a new contract that will continue its nearly 10-year partnership with the District of Columbia Office of Lottery and Gaming ("DC Lottery"). INTRALOT will support the DC Lottery's commitment to maximize revenue returned to the District by modernizing the gaming system, deploying next-generation gaming technology, and ushering in the transformational new era of regulated sports wagering. The five-year contract is effective October 1, 2019 and allows for an additional five extension years. Under the contract INTRALOT will continue to supply the DC Lottery with its LOTOS™ gaming and instant ticket management system. INTRALOT will deploy its industry leading technology to the retail network by offering its state-of-the-art Photon™ terminals, WinStations®, new MP NG self-service vending terminals, online terminals, new peripheral devices, and related Services to support traditional lottery, sports wagering and e-Lottery gaming verticals. Starting in early 2020, INTRALOT will deploy its INTRALOT Orion sports wagering mobile and retail platform to enable the DC Lottery's sports wagering offerings. Additionally, INTRALOT will provide all trading and risk management services for the District of Columbia's sportsbook.

In August 2019, Intralot Inc., the North American subsidiary of INTRALOT Group in US, has renewed its credit facility with Bank of America extending it to $40 million. The facility may be used for additional liquidity support to tap new opportunities in Lottery and sports betting in the US.

Maroussi, August 30, 2019

THE CHAIRMAN OF THE BOD AND GROUP CEO	**THE DEPUTY CHIEF EXECUTIVE OFFICER AND MEMBER OF THE BOD**
S.P. KOKKALIS **ID. No. AI 091040**	**C.D. SFATOS** **ID. No. AH 641907**
THE GROUP CFO	**THE GROUP ACCOUNTING DIRECTOR**
A. A. CHRYSOS **ID No. AK 544280**	**N. G.PAVLAKIS** **ID.No. AZ 012557** **H.E.C. License** **No. 15230/ A' Class**