INTRALOT Group

INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 31 March, 2017
ACCORDING TO
INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

CONTENTS OF INTERIM FINANCIAL STATEMENTS

INTERIM FINANCIAL STATEMENTS
INCOME STATEMENT GROUP / COMPANY FOR THE THREE MONTHS OF 2017

Amounts reported in thousand €	Note	GROUP		COMPANY	
		1/1-31/3/2017	1/1-31/3/2016	1/1-31/3/2017	1/1-31/3/2016
Sale Proceeds	2.2	367.896	304.982	14.136	13.853
Less: Cost of Sales		-304.714	-246.039	-8.868	-10.699
Gross Profit /(loss)		**63.182**	**58.943**	**5.268**	**3.154**
Other Operating Income	2.3	4.197	6.270	46	5.002
Selling Expenses		-14.240	-13.455	-2.775	-3.052
Administrative Expenses		-21.890	-21.016	-3.106	-3.270
Research and Development Expenses		-1.656	-1.833	-1.656	-1.815
Other Operating Expenses	2.7	-267	-685	-2	-61
EBIT	2.1.5	**29.326**	**28.224**	**-2.225**	**-42**
EBITDA	2.1.5	**46.535**	**44.568**	**890**	**2.621**
Income/(expenses) from participations and investments	2.5	537	1.068	11.897	4.641
Gain/(loss) from assets disposal, impairment loss and write-off of assets	2.6	-147	-104	-6	5
Interest and similar expenses	2.8	-13.085	-17.363	-4.236	-4.873
Interest and similar income	2.8	1.826	3.190	734	764
Foreign exchange differences	2.9	804	-3.559	-203	-447
Profit / (loss) from equity method consolidations		-1.174	-919	0	0
Operating Profit/(loss) before tax from continuing operations		**18.087**	**10.537**	**5.961**	**48**
Tax	2.4	-10.783	-8.922	-1.133	175
Profit / (loss) after tax from continuing operations (a)		**7.304**	**1.615**	**4.828**	**223**
Profit / (loss) after tax from discontinued operations (b) [1]		-164	-2.470	0	0
Profit / (loss) after tax (continuing and discontinued operations) (a)+(b)		**7.140**	**-855**	**4.828**	**223**
Attributable to:					
Equity holders of parent					
-Profit/(loss) from continuing operations		-5.307	-9.542	4.828	223
-Profit/(loss) from discontinued operations [1]	2.20	-164	-2.470	0	0
		-5.471	**-12.012**	**4.828**	**223**
Non-Controlling Interest					
-Profit/(loss) from continuing operations		12.611	11.157	0	0
-Profit/(loss) from discontinued operations [1]	2.20	0	0	0	0
		12.611	**11.157**	**0**	**0**
Earnings/(loss) after tax per share (in €) from total operations					
-basic	2.20	-0,0348	-0,0758	0,0307	0,0014
-diluted	2.20	-0,0348	-0,0758	0,0307	0,0014
Weighted Average number of shares		157.373.970	158.490.975	157.373.970	158.490.975

[1] The activities of Group subsidiaries in Italy and those of Intralot de Peru SAC and Favorit Bookmakers Office OOO are presented as discontinued operations pursuant to IFRS 5 (note 2.20.A.VIII)

STATEMENT OF COMPREHENSIVE INCOME GROUP / COMPANY FOR THE THREE MONTHS OF 2017

Amounts reported in thousand €	Note	GROUP		COMPANY	
		1/1-31/3/2017	1/1-31/3/2016	1/1-31/3/2017	1/1-31/3/2016
Net Profit / (loss) after tax (continuing and discontinued operations) (a)+(b)		**7.140**	**-855**	**4.828**	**223**
Attributable to:					
Equity holders of parent					
-Profit/(loss) from continuing operations		-5.307	-9.542	4.828	223
-Profit/(loss) from discontinued operations [1]		-164	-2.470	0	0
		-5.471	**-12.012**	**4.828**	**223**
Non-Controlling Interest					
-Profit/(loss) from continuing operations		12.611	11.157	0	0
-Profit/(loss) from discontinued operations [1]		0	0	0	0
		12.611	**11.157**	**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		20	-100	0	0
Amounts that may be reclassified to profit or loss:					
Valuation of available- for -sale financial assets of parent and subsidiaries	2.12	-435	-1.056	-266	4
Derivatives valuation of parent and subsidiaries		113	-50	113	-50
Exchange differences on translating foreign operations of subsidiaries	2.15	-5.215	-5.239	0	0
Share of exchange differences on translating foreign operations of associates and joint ventures	2.15	-1.071	-4.167	0	0
Other comprehensive income/ (expenses) after tax		**-6.588**	**-10.612**	**-153**	**-46**
Total comprehensive income / (expenses) after tax		**552**	**-11.467**	**4.675**	**177**
Attributable to:					
Equity holders of parent		-10.473	-19.539	4.675	177
Non-Controlling Interest		11.025	8.072	0	0

[1] The activities of Group subsidiaries in Italy and those of Intralot de Peru SAC and Favorit Bookmakers Office OOO are presented as discontinued operations pursuant to IFRS 5 (note 2.20.A.VIII)

STATEMENT OF FINANCIAL POSITION GROUP/COMPANY

Amounts reported in thousand €	Note	GROUP		COMPANY	
		31/3/2017	31/12/2016	31/3/2017	31/12/2016
ASSETS					
Tangible assets	2.10	120.710	126.962	15.237	15.391
Investment property	2.10	5.902	6.038	0	0
Intangible assets	2.10	336.698	329.582	89.794	90.044
Investment in subsidiaries, associates and joint ventures	2.11	178.474	180.807	153.007	155.740
Other financial assets	2.12	21.740	21.910	1.217	1.483
Deferred Tax asset		6.530	6.750	0	0
Other long term receivables		23.793	22.407	144	144
Total Non-Current Assets		**693.847**	**694.456**	**259.399**	**262.802**
Inventories	2.13	32.221	32.250	19.310	18.888
Trade and other short term receivables		169.678	169.979	123.723	128.010
Other financial assets		113	0	113	0
Cash and cash equivalents	2.14	160.547	164.401	25.759	20.356
Total Current Assets		**362.559**	**366.630**	**168.905**	**167.254**
TOTAL ASSETS		**1.056.406**	**1.061.086**	**428.304**	**430.056**
EQUITY AND LIABILITIES					
Share capital	2.15	47.689	47.689	47.689	47.689
Treasury shares	2.15	-1.715	-1.709	-1.715	-1.709
Other reserves	2.15	56.360	56.036	43.783	43.936
Foreign exchange differences	2.15	-65.856	-61.180	0	0
Retained earnings	2.16	80.495	86.706	11.720	6.892
Total equity attributable to shareholders of the parent		**116.973**	**127.542**	**101.477**	**96.808**
Non-Controlling Interest		54.610	68.944	0	0
Total Equity		**171.583**	**196.486**	**101.477**	**96.808**
Long term debt	2.17	657.018	643.892	236.364	237.348
Staff retirement indemnities		5.293	5.382	3.283	3.396
Other long term provisions	2.20	11.064	10.891	10.212	10.088
Deferred Tax liabilities		15.481	16.036	6.430	6.548
Other long term liabilities		16.917	17.271	0	0
Finance lease obligation	2.21	593	684	0	0
Total Non-Current Liabilities		**706.366**	**694.156**	**256.289**	**257.380**
Trade and other short term liabilities		137.828	128.141	59.288	65.871
Short term debt and finance lease	2.17	11.879	14.733	0	0
Current income tax payable		20.348	17.610	7.290	6.037
Short term provision	2.20	8.402	9.960	3.960	3.960
Total Current Liabilities		**178.457**	**170.444**	**70.538**	**75.868**
TOTAL LIABILITIES		**884.823**	**864.600**	**326.827**	**333.248**
TOTAL EQUITY AND LIABILITIES		**1.056.406**	**1.061.086**	**428.304**	**430.056**

STATEMENT OF CHANGES IN EQUITY GROUP

STATEMENT OF CHANGES IN EQUITY INTRALOT GROUP (Amounts reported in thousand of €)	Share Capital	Treasury Shares	Legal Reserve	Other Reserves	Foreign exchange differences	Retained Earnings	Total	Non-Controlling Interest	Grand Total
Opening Balance 1 January 2017	**47.689**	**-1.709**	**27.076**	**28.960**	**-61.180**	**86.706**	**127.542**	**68.944**	**196.486**
Effect on retained earnings from previous years adjustments						-90	**-90**	-19	**-109**
Period's results						-5.471	**-5.471**	12.611	**7.140**
Other comprehensive income / (expenses) after tax				-335	-4.676	9	**-5.002**	-1.586	**-6.588**
Dividends to equity holders of parent / non-controlling interest							**0**	-25.340	**-25.340**
Transfer between reserves			659			-659	**0**		**0**
Repurchase of treasury shares		-6					**-6**		**-6**
Balances as at 31 March 2017	**47.689**	**-1.715**	**27.735**	**28.625**	**-65.856**	**80.495**	**116.973**	**54.610**	**171.583**

STATEMENT OF CHANGES IN EQUITY INTRALOT GROUP (Amounts reported in thousand of €)	Share Capital	Treasury Shares	Legal Reserve	Other Reserves	Foreign exchange differences	Retained Earnings	Total	Non-Controlling Interest	Grand Total
Opening Balance 1 January 2016	**47.689**	**-490**	**30.561**	**31.650**	**-59.410**	**79.563**	**129.563**	**77.819**	**207.382**
Effect on retained earnings from previous years adjustments						36	**36**	84	**120**
Subsidiary share capital return							**0**	-3.388	**-3.388**
Period's results						-12.012	**-12.012**	11.157	**-855**
Other comprehensive income / (expenses) after tax				-1.107	-6.376	-44	**-7.527**	-3.085	**-10.612**
Dividends to equity holders of parent / non-controlling interest							**0**	-13.354	**-13.354**
Transfer between reserves			396			-396	**0**		**0**
Balances as at 31 March 2016	**47.689**	**-490**	**30.957**	**30.543**	**-65.786**	**67.147**	**110.060**	**69.233**	**179.293**

STATEMENT OF CHANGES IN EQUITY COMPANY

STATEMENT OF CHANGES IN EQUITY INTRALOT S.A. (Amounts reported in thousand of €)	Share Capital	Treasury Shares	Legal Reserve	Other Reserves	Retained Earnings	Total
Opening Balance 1 January 2017	**47.689**	**-1.709**	**15.896**	**28.040**	**6.892**	**96.808**
Period's results					4.828	**4.828**
Other comprehensive income /(expenses) after tax				-153		**-153**
Repurchase of treasury shares		-6				**-6**
Balances as at 31 March 2017	**47.689**	**-1.715**	**15.896**	**27.887**	**11.720**	**101.477**

STATEMENT OF CHANGES IN EQUITY INTRALOT S.A. (Amounts reported in thousand of €)	Share Capital	Treasury Shares	Legal Reserve	Other Reserves	Retained Earnings	Total
Opening Balance 1 January 2016	**47.689**	**-490**	**15.896**	**29.831**	**7.332**	**100.258**
Period's results					223	**223**
Other comprehensive income /(expenses) after tax				-46		**-46**
Balances as at 31 March 2016	**47.689**	**-490**	**15.896**	**29.785**	**7.555**	**100.435**

CASH FLOW STATEMENT GROUP/COMPANY

Amounts reported in thousand of € (total operations)	Note	GROUP 1/1-31/3/2017	GROUP 1/1-31/3/2016	COMPANY 1/1-31/3/2017	COMPANY 1/1-31/3/2016
Operating activities					
Profit / (loss) before tax from continuing operations		18.087	10.537	5.961	48
Profit / (loss) before tax from discontinued operations	2.20	-164	-2.022	0	0
Profit / (loss) before Taxation		**17.923**	**8.515**	**5.961**	**48**
Plus / Less adjustments for:					
Depreciation and Amortization		17.216	24.709	3.115	2.663
Provisions	2.6/2.7	529	1.190	88	-4.870
Results (income, expenses, gain and loss) from Investing Activities	2.5/2.6 2.9/2.11	-202	3.220	-11.688	-4.199
Interest and similar expenses	2.8	13.091	17.534	4.236	4.873
Interest and similar Income	2.8	-1.826	-3.312	-734	-764
Plus / Less adjustments for changes in working capital:					
Decrease / (increase) of Inventories		-217	1.915	-421	326
Decrease / (increase) of Receivable Accounts		1.679	-6.670	9.119	3.325
(Decrease) / increase of Payable Accounts (except Banks)		-2.400	1.884	-6.684	-3.835
Less: Income Tax Paid		6.646	7.793	0	0
Total inflows / (outflows) from operating activities (a)		**39.147**	**41.192**	**2.992**	**-2.433**
Investing Activities					
(Purchases) / Sales of subsidiaries, associates, joint ventures and other investments	2.12 2.20	-3.108	-1.001	0	-1
Purchases of tangible and intangible assets	2.10	-24.709	-11.245	-3.244	-708
Proceeds from sales of tangible and intangible assets	2.10	95	97	40	7
Interest received		1.443	1.769	0	1.514
Dividends received		0	0	10.100	3.945
Total inflows / (outflows) from investing activities (b)		**-26.279**	**-10.380**	**6.896**	**4.757**
Financing Activities					
Repurchase of treasury shares		-6	0	-6	0
Cash inflows from loans	2.17	31.457	10.464	0	0
Repayment of loans	2.17	-21.857	-22.315	-4.500	-5.000
Repayments of finance lease obligations	2.17	-468	-2.848	0	0
Interest and similar expenses paid		-12.977	-18.876	257	-1.699
Dividends paid	2.16	-10.787	-9.378	0	0
Total inflows / (outflows) from financing activities (c)		**-14.638**	**-42.953**	**-4.249**	**-6.699**
Net increase / (decrease) in cash and cash equivalents for the period (a) + (b) + (c)		**-1.770**	**-12.141**	**5.639**	**-4.375**
Cash and cash equivalents at the beginning of the period	2.14	**164.401**	**276.609**	**20.356**	**35.859**
Net foreign exchange difference		-2.084	-1.705	-236	2.015
Cash and cash equivalents at the end of the period from total operations	2.14	**160.547**	**262.763**	**25.759**	**33.499**

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 55 countries and states, with approximately 5.200 employees and revenues of €1,32 billion for 2016, INTRALOT has established its presence on all 5 major continents.

The interim financial statements of the Group and the Company for the period ended 31 March, 2017 were approved by the Board of Directors on 24 May 2017.

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 available-for-sale financial assets 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 31 March 2017 have been prepared in accordance with IAS 34 "Interim Financial Reporting". Those interim condensed financial statements do not include all the information and disclosures required by IFRS in the annual financial statements and should be read in conjunction with the Group's and Company's annual financial statements as at 31 December 2016.

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 March 31, 2017, the accounting policies adopted are consistent with those followed in the preparation of the most recent annual financial statements (December 31, 2016), except for the below mentioned adoption of new standards and interpretations applicable for fiscal periods beginning at January 1, 2017.

Standards and Interpretations compulsory for the fiscal year 2017

There are no new standards, amendments of published standards and interpretations mandatory for accounting periods beginning on 1 January 2017.

Standards and Interpretations compulsory after 31 December 2017

The following new standards, amendments and IFRICs have been published but are in effect for the annual fiscal period beginning the 1st of January 2018 and have not been adopted from the Group earlier.

IFRS 9 "Financial Instruments"

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

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

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

Classification and Measurement

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

Impairment

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

Hedge accounting

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

Own credit

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

The Group is in the process of evaluating the effect of IFRS 9 on its financial statements, without having a final detailed impact assessment. A more detailed assessment of the new standard effects will be carried out during the current year. However the below estimation can be made:

Classification and Measurement

As for the financial assets held by the Group on 31/12/2016, is estimated that would likely continue to be measured on the same basis under the new standard and so no significant changes on financial assets classification and measurement are expected.

Impairment

The assessment made by the Group as for the impact of the new expected-loss impairment model is at early stages. However, application of this model may result in an earlier recognition of expected credit losses.

Hedge accounting

The assessment made by the Group as for the impact of the reformed model for hedge accounting is at early stages. However, application of this model is not expected to have a significant impact on the accounting treatment of hedging contracts usually performed by the Group.

Own credit

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

IFRS 15 "Revenue from Contracts with Customers"

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

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

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

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

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

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

The Group has made an initial assessment regarding the impact of the application of IFRS 15. Group revenue is classified into the following business activities:

a) Licensed operations (Game operation):

During fiscal year 2016 Group revenue from "Licensed operations" was 75% of total revenue from continuing operations. In this category, the Group has the full game operating license in a country. In the case of operating the game the Company undertakes the overall organization of the games provided. Currently, revenue recognition in this category occurs the moment that the player-customer pays the related consideration in order to participate in a game and equals the total amount received from the player-customer. The application of IFRS 15 is not expected to affect the recognition of revenue in this category.

b) Management contacts (Game management):

During fiscal year 2016 Group revenue from "Management contracts" was 9% of total revenue from continuing operations. The Group undertakes the provision of value added services, such as the design, organization and/ or management of games, advertising and sales promotion, establishment of sales network, risk management (for fixed odds games) e.t.c to organizations internationally. Group revenues mainly consist of a percentage of the turnover of the games to which the above services are provided, the size of which is contractually determined based on the market size, the type of services rendered, the duration of the contract and other parameters. Currently, revenue recognition occurs the moment that the player-customer pays the related consideration in order to participate in a game and equals to an amount calculated as a percentage on the total amount received by the lottery games organization from the player-customer. The application of IFRS 15 is not expected to affect the recognition of revenue in this category.

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

During fiscal year 2016 Group revenue from "Technology and support services" was 16% of total revenue from continuing operations.

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

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

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

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

ii) Support services (technical): This category includes the rendering of technical support services to Lotteries so that they can operate their on-line games. These services are sold either on their own in separate contracts with the customers or bundled together with the sale of technology (hardware and software) to customers. Currently, the Group accounts for the technology (hardware and software) and support services as separate deliverables of bundled sales and allocates consideration between these deliverables using the relative fair value approach. Revenue recognition related to support services occurs by reference to the stage of completion of the transaction, at the reporting date. Under IFRS 15, allocation will be made based on relative stand-alone selling prices. As a result, the allocation of the consideration and, consequently, the timing of the amount of revenue recognised in relation to these sales may be impacted. The Group has preliminarily assessed that the majority of support services are satisfied over time and consequently the Group would continue to recognise revenue for these service contracts/service components of bundled contracts over time rather than at a point of time.

Presentation and disclosure requirements

IFRS 15 provides presentation and disclosure requirements, which are more detailed than under current IFRS. The presentation requirements represent a significant change from current practice and significantly increases the volume of disclosures required in Group's financial statements. Many of the disclosure requirements in IFRS 15 are completely new. In 2016 and first quarter of 2017 the Group developed and started testing of appropriate systems, internal controls, policies and procedures necessary to collect and disclose the required information.

The Group will decide within the current year whether to apply the new standard retrospectively to each prior reporting period presented or the cumulative effect at the date of initial application.

IFRS 15 (Amendment) "Revenue from Contracts with Customers"

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

In April 2016, the IASB issued amendments in IFRS 15 "Revenue from Contracts with Customers" including clarifications about how IFRS 15 principles should be applied. They arise as a result of discussions of the Transition Resource Group (TRG). The TRG was set up jointly by the IASB and the US national standard-setter, the Financial Accounting Standards Board (FASB), to assist companies with implementing the new Standard. The amendments clarify how to:

- identify a performance obligation (the promise to transfer a good or a service to a customer) in a contract;
- determine whether a company is a principal (the provider of a good or service) or an agent (responsible for arranging for the good or service to be provided); and

- determine whether the revenue from granting a license should be recognised at a point in time or over time.

In addition to the clarifications, the amendments include two additional reliefs to reduce cost and complexity for a company when it first applies the new Standard.
The Group will assess the impact of these amendments on its financial statements. These amendments have not yet been endorsed by the European Union.

IFRS 16 "Leases"

This applies to annual accounting periods starting on or after 1 January 2019. Earlier application is permitted if IFRS 15 "Revenue from Contracts with Customers" has also been applied.
In January 2016, the IASB issued a new accounting Standard, called IFRS 16 "Leases" that replaces IAS 17 "Leases", and related Interpretations. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor').
As for lessee, IFRS 16 eliminates the classification of leases as either operating leases or finance leases as is required by IAS 17 and, instead, introduces a single lessee accounting model. Applying that model, a lessee is required to recognise:
(a) assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value; and
(b) depreciation of lease assets separately from interest on lease liabilities in the income statement.
As for lessor, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.
The new accounting standard will affect the accounting treatment of the operating leases of the Group as a lessee. On 31/3/2017 the Group had commitments from non-cancellable operating leases amounting to €16.624 thousand. (note 2.21.C). However, the Group has not yet determined to what extent these commitments will result in the recognition of liabilities for future payments, and how the new standard application will affect income statement as well as the classification of cash flows of the Group. Some of the above commitments may be exempted from the requirements of the new standard since they not meet criteria to qualify as leases or covered by the exception for short-term or/and low-value leases.
A more detailed assessment of the new standard effects will be carried out during the current year.
The new standard has not yet been endorsed by the European Union.

IAS 7 (Amendment) "Statement of Cash Flows"

This applies to annual accounting periods starting on or after 1 January 2017. Earlier application is permitted.
In January 2016 the IASB issued amendments in IAS 7 "Statement of Cash Flows" about improvements to disclosures. These disclosures require companies to provide information about changes in their financing liabilities arising from financing activities, including changes from cash flows and non-cash changes (such as foreign exchange gains or losses).
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 12 (Amendment) "Income Taxes"

This applies to annual accounting periods starting on or after 1 January 2017. Earlier application is permitted.

In January 2016 the IASB issued amendments in IAS 12 "Income Taxes" about Recognition of Deferred Tax Assets for Unrealised Losses, clarifying how to account for deferred tax assets related to debt instruments measured at fair value to address diversity in practice.

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

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

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

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

IFRS 2 (Amendment) "Share-based Payment"

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

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

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

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

IFRS 4 (Amendment) "Insurance Contracts"

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

In September 2016 the IASB issued amendments in IFRS 4 "Insurance Contracts", addressing concerns arising from implementing the new financial instruments Standard, IFRS 9, before implementing the replacement Standard that the IASB is developing for IFRS 4. These concerns include temporary volatility in reported results.

The amendments introduce two approaches: an overlay approach and a deferral approach. The amended Standard will:

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

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

These amendments do not affect Group financial statements. These amendments have not yet been endorsed by the European Union.

IAS 40 (Amendment) "Investment Property"

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

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

These amendments do not affect Group financial statements. These amendments have not yet been endorsed by the European Union.

IFRIC 22 "Foreign Currency Transactions and Advance Consideration"

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

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

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

IFRS 17 "Insurance Contracts"

This applies to annual accounting periods starting on or after 1 January 2021. Earlier application is permitted.

In May 2017, the IASB issued a new accounting Standard, called IFRS 17 "Insurance Contracts" that replaces IFRS 4 "Insurance Contracts", which was brought in as an interim Standard in 2004. IFRS 4 has given companies dispensation to carry on accounting for insurance contracts using national accounting standards, resulting in a multitude of different approaches. As a consequence, it is difficult for investors to compare and contrast the financial performance of otherwise similar companies. IFRS 17 solves the comparison problems created by IFRS 4 by requiring all insurance contracts to be accounted for in a consistent manner, benefiting both investors and insurance companies. Insurance obligations will be accounted for using current values, instead of historical cost. The information will be updated regularly, providing more useful information to users of financial statements.

This new standard does not affect Group financial statements and has not yet been endorsed by the European Union.

IFRS 14 "Regulatory Deferral Accounts" (interim Standard)

This applies to annual accounting periods starting on or after 1 January 2016. Earlier application is permitted. The European Commission has decided not to launch the endorsement process of this interim standard and to wait for the final standard.

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

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

IASB in its annual improvement program published in December 2016, a Cycle of minor amendments to existing Standards. The Group will assess the impact of the new standard on its financial statements. These amendments have not yet been endorsed by the European Union.

Annual Improvements to IFRSs 2014-2016 Cycle

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

The amendment holds for the annual fiscal periods beginning on or after the 1 of January, 2018.

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

IFRS 12 "Disclosure of Interests in Other entities"

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

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

IAS 28 "Investments in Associates and Joint Ventures"

The amendment holds for the annual fiscal periods beginning on or after the 1 of January, 2018.

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

2.1.5 EBITDA & EBIT

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

Reconciliation of operating profit before tax to EBIT and EBITDA (continuing operations):	GROUP	
	1/1-31/3/2017	1/1-31/3/2016
Operating profit/(loss) before tax	**18.087**	**10.537**
Profit/(loss) equity method consolidation	1.174	919
Foreign exchange differences	-804	3.559
Interest and similar income	-1.826	-3.190
Interest and similar expenses	13.085	17.363
Income / (expenses) from participations and investments	-537	-1.068
Gain / (loss) from assets disposal, impairment losses & write-off of assets	147	104
EBIT	**29.326**	**28.224**
Depreciation and amortization	17.209	16.344
EBITDA	**46.535**	**44.568**

Reconciliation of operating profit before tax to EBIT and EBITDA (continuing operations):	COMPANY	
	1/1-31/3/2017	1/1-31/3/2016
Operating profit/(loss) before tax	**5.961**	**48**
Foreign exchange differences	203	447
Interest and similar income	-734	-764
Interest and similar expenses	4.236	4.873
Income / (expenses) from participations and investments	-11.897	-4.641
Gain / (loss) from assets disposal, impairment losses & write-off of assets	6	-5
EBIT	**-2.225**	**-42**
Depreciation and amortization	3.115	2.663
EBITDA	**890**	**2.621**

2.1.6 Significant accounting judgements, estimates and assumptions

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

The key accounting 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 31 March

2017 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 of 31 December 2016.

2.1.7 Seasonality and cyclicality of operations

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

2.2 INFORMATION PER SEGMENT

Intralot Group manages in 55 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 and Republic of Ireland.
Other Europe:	Russia, Moldova and Croatia.
America:	USA, Peru, Brazil, Argentina, Mexico, Jamaica, Chile, Colombia, Guatemala, Dominican Republic, Suriname, Uruguay, Curacao and St. Lucia.
Other Countries:	Australia, New Zealand, China, South Africa, Turkey, South Korea, Lebanon, Egypt, Azerbaijan, Taiwan and Morocco.

No two operating segments have been added.

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

1/1-31/3/2017

(in million €)	European Union	Other Europe	America	Other Countries	Eliminations	Total
Sales to third parties	142,92	0,82	151,79	72,37	0,00	367,90
Intragroup sales	12,40	0,00	0,17	0,00	-12,57	0,00
Total Sales	**155,32**	**0,82**	**151,96**	**72,37**	**-12,57**	**367,90**
(Debit)/Credit interest & similar (expenses)/income	-10,93	0,11	-1,23	0,79	0,00	-11,26
Depreciation/Amortization	-9,30	-0,40	-6,04	-2,52	1,05	-17,21
Profit/(loss) consolidated with equity method	-0,38	0,00	-0,03	-0,76	0,00	-1,17
Write-off & impairment of assets	0,00	-0,13	-0,10	0,00	0,00	-0,23
Write-off & impairment of investments	-40,52	0,00	0,00	0,00	40,52	0,00
Doubtful provisions, write-off & impairment of receivables	0,00	0,00	-0,01	-0,03	0,00	-0,04
Reversal of doubtful provisions & recovery of written off receivables	0,00	0,00	0,00	0,01	0,00	0,01
Profit/(Loss) before tax and continuing operations	**19,62**	**-0,26**	**7,42**	**18,40**	**-27,09**	**18,09**
Tax	-2,70	-0,07	-2,34	-5,67	0,00	-10,78
Profit/(Loss) after tax from continuing operations	**16,92**	**-0,33**	**5,08**	**12,73**	**-27,09**	**7,31**
Profit/(Loss) after tax from discontinued operations	0,00	-0,22	0,00	0,00	0,05	-0,17
Profit/(Loss) after tax from total operations	**16,92**	**-0,55**	**5,08**	**12,73**	**-27,04**	**7,14**

1/1-31/3/2016

(in million €)	European Union	Other Europe	America	Other Countries	Eliminations	Total
Sales to third parties	109,88	1,77	135,26	58,07	0,00	304,98
Intragroup sales	15,23	0,00	0,33	0,00	-15,56	0,00
Total Sales	**125,11**	**1,77**	**135,59**	**58,07**	**-15,56**	**304,98**
(Debit)/Credit interest & similar (expenses)/income	-13,64	-0,05	-0,99	1,21	-0,70	-14,17
Depreciation/Amortization	-8,57	-0,14	-5,95	-2,52	0,84	-16,34
Profit/(loss) consolidated with equity method	-0,08	0,00	0,00	-0,84	0,00	-0,92
Write-off & impairment of assets	0,00	0,00	-0,09	0,00	0,00	-0,09
Write-off & impairment of investments	0,00	0,00	0,00	0,00	0,00	0,00
Doubtful provisions, write-off & impairment of receivables	-0,03	0,00	-0,45	-0,06	0,03	-0,51
Reversal of doubtful provisions & recovery of written off receivables	4,96	0,00	0,06	0,00	-4,66	0,36
Profit/(Loss) before tax and continuing operations	**5,24**	**0,69**	**6,74**	**17,44**	**-19,57**	**10,54**
Tax	-1,36	-0,74	-1,95	-4,87	0,00	-8,92
Profit/(Loss) after tax from continuing operations	**3,88**	**-0,05**	**4,79**	**12,57**	**-19,57**	**1,62**
Profit/(Loss) after tax from discontinued operations	-4,21	-0,36	1,13	0,00	0,97	-2,47
Profit/(Loss) after tax from total operations	**-0,33**	**-0,41**	**5,92**	**12,57**	**-18,60**	**-0,85**

Sales per business activity (continuing operations) *(in thousand €)*	**31/3/2017**	**31/3/2016**	**Change**
Licensed operations	286.277	224.431	27,56%
Management contracts	28.601	29.140	-1,85%
Technology and support services	53.018	51.411	3,13%
Total	**367.896**	**304.982**	**20,63%**

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

2.3 OTHER OPERATING INCOME

(continuing operations)	**GROUP**		**COMPANY**	
	31/3/2017	**31/3/2016**	**31/3/2017**	**31/3/2016**
Income from rents from third parties	3.387	3.281	0	0
Income from rents from subsidiaries	0	0	37	37
Income from litigation cases	0	1.748	0	0
Income from uncollected winnings	270	261	0	0
Income from reversal of doubtful provisions and proceeds for written off receivables from third parties	8	358	0	0
Income from reversal of doubtful provisions and proceeds for written off receivables from subsidiaries	0	0	0	4.964
Other income	532	622	9	1
Total	**4.197**	**6.270**	**46**	**5.002**

2.4 INCOME TAX

GROUP (continuing operations)	**31/3/2017**	**31/3/2016**
Current income tax	10.948	7.947
Deferred income tax	-606	546
Tax audit differences and other tax non-deductible	441	429
Total income tax expense reported in income statement	**10.783**	**8.922**

The income tax expense for the Company was calculated to 29% on the taxable profit of the periods 1/1-31/3/2017 and 1/1-31/3/2016 respectively.

COMPANY	**31/3/2017**	**31/3/2016**
Current income tax	1.252	0
Deferred income tax	-119	-175
Total income tax expense reported in income statement	**1.133**	**-175**

2.5 INCOME / (EXPENSES) FROM PARTICIPATIONS AND INVESTMENTS

(continuing operations)	GROUP		COMPANY	
	31/3/2017	31/3/2016	31/3/2017	31/3/2016
Income from dividends	942	900	14.630	4.641
Gain from sale of participations and investments	23	225	1.055	0
Other income from participations and investments	43	0	0	0
Total income from participations and investments	**1.008**	**1.125**	**15.685**	**4.641**
Loss from sale of participations and investments	-471	-57	0	0
Loss from impairment / write-offs of participations and investments	0	0	-3.788	0
Total expenses from participations and investments	**-471**	**-57**	**-3.788**	**0**
Net result from participations and investments	**537**	**1.068**	**11.897**	**4.641**

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

(continuing operations)	GROUP		COMPANY	
	31/3/2017	31/3/2016	31/3/2017	31/3/2016
Gain from disposal of tangible and intangible assets	94	18	0	5
Loss from disposal of tangible and intangible assets	-14	-32	-6	0
Loss from impairment and write-off of tangible and intangible assets	-227	-90	0	0
Net result from tangible and intangible assets	**-147**	**-104**	**-6**	**5**

2.7 IMPAIRMENT, WRITE OFF AND PROVISIONS FOR DOUBTFUL DEBTS

Included in «Other operating expenses»:

(continuing operations)	GROUP		COMPANY	
	31/3/2017	31/3/2016	31/3/2017	31/3/2016
Provisions for doubtful receivables from subsidiaries	0	0	0	0
Provisions for doubtful receivables from debtors	41	505	0	0
Receivables write off from debtors	0	0	0	0
Receivables write off from associates	0	0	0	0
Total	**41**	**505**	**0**	**0**

2.8 INTEREST AND SIMILAR EXPENSES / INTEREST AND SIMILAR INCOME

(continuing operations)	GROUP		COMPANY	
	31/3/2017	31/3/2016	31/3/2017	31/3/2016
Interest Expense[1]	-11.974	-15.096	-4.030	-4.691
Loss on derivatives	0	0	0	0
Finance costs	-910	-1.913	-206	-182
Discounting	-201	-354	0	0
Total Interest and similar expenses	**-13.085**	**-17.363**	**-4.236**	**-4.873**
Interest Income	1.610	3.069	734	764
Gains on derivatives	0	0	0	0
Discounting	216	121	0	0
Total Interest and similar Income	**1.826**	**3.190**	**734**	**764**
Net Interest and similar Income / (Expenses)	**-11.259**	**-14.173**	**-3.502**	**-4.109**

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

2.9 FOREIGN EXCHANGE DIFFERENCES

The Group reported in the Income Statement For the first three months of 2017 gain from «Exchange differences» amounting €804 thousand (three months of 2016: losses €3.559 thousand) coming mainly from valuation of commercial and borrowing liabilities (intercompany and non) in EUR that various subsidiaries abroad, with a different functional currency than the Group, had at 31/3/2017 as well as from valuation of trade receivables (from third parties and associates) in USD of the Company on 31/3/2017.

2.10 TANGIBLE AND INTANGIBLE ASSETS

Acquisitions and disposals of tangible and intangible assets:

During the three months of 2017, the Group acquired tangible (owner occupied) and intangible assets with acquisition cost €20.634 thousand (three months 2016: €15.351 thousand – discontinued operations €879 thousand).

Also, during the three months of 2017, the Group sold tangible (owner occupied) and intangible assets with a net book value of €92 thousand (three months 2016: net loss €178 thousand), making a net gain amounting to €80 thousand (three months 2016: net loss €14 thousand) which was recorded in the account "Gain/(loss) from assets disposal, impairment loss & write-off of assets".

Write-offs and impairment of tangible and intangible assets:

During the three months of 2017, the Group proceeded to writes-offs and impairments of tangible (owner-occupied) and intangible assets with a net book value of €227 thousand (three months 2016: €400 thousand – discontinued operations €309 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 three months of 2017 due to foreign exchange valuation differences by €2,3 million.

Goodwill and Intangible assets with indefinite useful life impairment test

Management tests goodwill for impairment annually (December 31) or more frequently if events occur or changes in conditions indicate that the carrying value may have been reduced in accordance with accounting practice described in note 2.1.6.a «Business Combination and Goodwill» of the annual Financial Statements of 31 December 2016.

The Group tested goodwill for impairment on 31/12/2016 and the key assumptions that are used for the determination of the recoverable amount are disclosed below. The recoverable amounts of cash generating units have been determined based on value in use calculations using appropriate estimates regarding future cash flows and discount rates.

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

Carrying amount:

CGU	Goodwill		Intangible assets with indefinite useful life	
	31/3/2017[1]	31/12/2016	31/3/2017	31/12/2016
European Union	24.364	24.202	2.331	2.331
Other Europe	0	0	0	0
America	20.263	20.434	2.801	2.832
Other countries	38.471	40.357	0	0
Total	**83.098**	**84.993**	**5.132**	**5.163**

[1] The net decrease in goodwill during the three months of 2017 by €1.895 thousand is caused by foreign currency translation differences losses on goodwill valuation from acquisitions of foreign subsidiaries with a different functional currency made by the Group in the past.

Key assumptions:

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

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

Sales:

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

Sales growth rate:

CGU	2016	2015
European Union	-1,2% - 25,9%	-0,9% - 5,4%
Other Europe	n/a	n/a
America	0,0% - 3,8%	0,0% - 10,1%
Other countries	0,0% - 16,6%	0,0% - 8,8%

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

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

Growth rate beyond the budget period:

CGU	2016	2015
European Union	0,0% - 2,3%	0,0% - 2,7%
Other Europe	n/a	n/a
America	0,0% - 4,6%	0,0% - 6,0%
Other countries	0,0% - 3,6%	0,0% - 3,6%

Discount rates:

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

Discount rates:

CGU	2016	2015
European Union	6,2% - 8,0%	7,0% - 7,4%
Other Europe	n/a	n/a
America	17,5% - 28,1%	23,1% - 38,3%
Other countries	12,0% - 14,1%	11,9% - 14,0%

Recoverable amount sensitivity analysis:

On 31/12/2016, the Group analyzed the sensitivity of the recoverable amounts in a reasonable and possible change of some of the basic assumptions (such as the change of a percentage point to the growth rate beyond the budget period and the discount rates). This analysis does not show a situation in which the carrying amount of the Group's significant CGUs exceeds their recoverable amount.

2.11 INVESTMENT IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

GROUP INVESTMENT IN ASSOCIATES AND JOINT VENTURES	% Participation	Country	31/3/2017	31/12/2016
Lotrich Information Co LTD	40%	Taiwan	6.466	6.065
Goreward LTD Group	49,99%	China	68.220	70.501
Bit8 LTD Group	39%	Malta	5.203	5.492
Gamenet Group SpA	20%	Italy	83.354	83.532
Intralot de Peru SAC	20%	Peru	15.231	15.217
Total			**178.474**	**180.807**

GROUP INVESTMENT IN ASSOCIATES AND JOINT VENTURES	31/3/2017	31/12/2016
Opening Balance	**180.807**	**40.863**
Participation in net profit / (loss) of associates and joint ventures	-1.174	-4.574
Companies merge (note 2.20)	0	83.520
Acquisition of additional stake	0	800
Change in consolidation method	0	16.179
Additions/contribution in kind	0	51.104
Foreign exchange differences	-1.071	3.325
Impairment	0	-10.403
Other	-88	-7
Closing Balance	**178.474**	**180.807**

COMPANY INVESTMENT IN ASSOCIATES AND JOINT VENTURES	% Participation	Country	31/3/2017	31/12/2016
Lotrich Information Co LTD	40%	Taiwan	5.131	5.131
Intralot De Peru SAC	20%	Peru	5.528	5.528
Total			**10.659**	**10.659**
COMPANY INVESTMENT IN SUBSIDIARIES	**% Participation**	**Country**	**31/3/2017**	**31/12/2016**
Intralot Holdings International LTD	100%	Cyprus	4.464	4.464
Betting Company S.A.	95%	Greece	139	139
Inteltek Internet AS	20%	Turkey	26.081	66.081
Bilyoner Interactif Hizmelter AS	50,01%	Turkey	10.751	10.751
Intralot Global Securities BV	100,00%	Nederland	57.028	57.028
Intralot Global Holdings BV	0,002%	Nederland	37.268	1
Loteria Moldovei SA	47,90%	Moldova	656	656
Intralot Iberia Holdings SA	100%	Spain	5.638	5.638
Other			323	323
Total			**142.348**	**145.081**
Grand Total			**153.007**	**155.740**

COMPANY INVESTMENT IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES	31/3/2017	31/12/2016
Opening Balance	**155.740**	**172.294**
Capitalization of affiliates receivables	0	10.550
Disposal of affiliates share	0	-20.781
Provisions / reverse of provisions for impairment of affiliates	-3.788	-4.078
Provisions for impairment of associates	0	-1.000
Participation fee of affiliate	1.055	0
Return of capital from affiliates	0	-1.245
Closing Balance	**153.007**	**155.740**

2.12 OTHER FINANCIAL ASSETS

Other financial assets which in total have been classified by the Group as "Available for sale" and "Held to maturity" are analyzed as follows:

	GROUP		COMPANY	
	31/3/2017	**31/12/2016**	**31/3/2017**	**31/12/2016**
Opening Balance	**21.910**	**26.085**	**1.483**	**3.243**
Purchases	400	2.453	0	0
Addition due to acquisition	0	90	0	0
Return of Capital	0	-3.292	0	0
Disposals	-15	-421	0	0
Fair value revaluation	-434	-2.974	-153	-1.760
Foreign exchange differences	-8	-31	0	0
Closing balance	**21.853**	**21.910**	**1.330**	**1.483**
Quoted securities	1.788	1.949	33	24
Unquoted securities	20.065	19.961	1.297	1.459
Total	**21.853**	**21.910**	**1.330**	**1.483**
Long-term Financial Assets	21.740	21.910	1.217	1.483
Short-term Financial Assets[1]	113	0	113	0
Total	**21.853**	**21.910**	**1.330**	**1.483**

[1] Concern derivative financial assets for currency risk hedging

During the three months of 2017, the Group losses arising from the valuation at fair value of the above financial assets amounting €434 thousand (three months 2016: losses €1.059 thousand) are analyzed in losses amounting €322 thousand (three months 2016: losses €1.056 thousand) reported in particular equity reserves (revaluation reserve and hedging reserve) and in losses amounting €112 thousand (three months 2016: losses of €3 thousand) reported in the income statement. Respectively for the Company, losses amounting €153 thousand (three months 2016: gains of €4 thousand) are analyzed in losses amounting €153 thousand (three months of 2016: gains €4 thousand) reported in particular equity reserves (revaluation reserve and hedging reserve).

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

2.13 INVENTORIES

	GROUP		COMPANY	
	31/3/2017	**31/12/2016**	**31/3/2017**	**31/12/2016**
Merchandise – Equipment	30.910	30.841	19.310	18.888
Other	3.384	3.487	0	0
Total	**34.294**	**34.328**	**19.310**	**18.888**
Provisions for impairment	-2.073	-2.078	0	0
Total	**32.221**	**32.250**	**19.310**	**18.888**

For the three months of 2017, the amount transferred to profit and loss from disposals/usage of inventories is €486 thousand (three months 2016: €740 thousand) for the Group while the respective amount for the Company is €288 thousand (three months 2016: €809 thousand) and is included in "Cost of Sales".

Reconciliation of changes in inventories provision for impairment	GROUP		COMPANY	
	31/3/2017	31/12/2016	31/3/2017	31/12/2016
Opening balance for the period	**-2.078**	**-3.336**	**0**	**-1.753**
Period provisions*	0	-500	0	0
Reversed provisions	0	0	0	0
Used provisions	0	1.753	0	1.753
Foreign exchange differences	5	5	0	0
Closing balance for the period	**-2.073**	**-2.078**	**0**	**0**

*Included in «Cost of sales»

There are no liens on reserves.

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	
	31/3/2017	31/12/2016	31/3/2017	31/12/2016
Cash and bank current accounts	155.292	163.453	25.759	20.356
Short term time deposits	5.255	948	0	0
Total	**160.547**	**164.401**	**25.759**	**20.356**

The time deposits denominated in foreign currency relate mainly to currency exchange contracts (which have the nature of a time deposit and not of a derivative financial asset).

2.15 SHARE CAPITAL, TREASURY SHARES AND RESERVES

Share Capital

Total number of authorized shares	31/3/2017	31/12/2016
Ordinary shares of nominal value €0,30 each	158.961.721	158.961.721

Issued and fully paid shares	Number of ordinary shares	€'000
Balance 1 January 2016	**158.961.721**	**47.689**
Issue of new shares	0	0
Balance 31 December 2016	**158.961.721**	**47.689**
Issue of new shares	0	0
Balance 31 March 2017	**158.961.721**	**47.689**

Treasury Shares

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 which took place on the 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 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 approved that the treasury shares which will eventually be acquired may be held for future acquisition of shares of another company or to be distributed to Company's personnel and to the personnel of Company's affiliates.

During the three months of 2017, the Company purchased 5.400 treasury shares (0,003% of the Company's share capital) at an average price of €1,09 per share, totalling €6 thousand. Until

31/3/2017 the Company has purchased 1.588.169 treasury shares (1,00% of the company's share capital) with average price €1,08 per share, with total price of €1.715 thousand.

	GROUP		COMPANY	
	Number of ordinary shares	€ '000	Number of ordinary shares	€ '000
Balance 1 January 2016	**470.746**	**490**	**470.746**	**490**
Repurchase of treasury shares	1.112.023	1.219	1.112.023	1.219
Balance 31 December 2016	**1.582.769**	**1.709**	**1.582.769**	**1.709**
Repurchase of treasury shares	5.400	6	5.400	6
Balance 31 March 2017	**1.588.169**	**1.715**	**1.588.169**	**1.715**

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 31/3/2017 was €-65,9 million (31/12/2016: €-61,2 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 three months of 2017 amounting to €6,3 million (three months 2016: loss of €9,4 million), out of which loss of €4,7 million is attributable to the owners of the parent and a loss of €1,6 million to non-controlling interest. The above total net loss for 2017 comes mainly from the fluctuation of the TRY, USD, JMD and CNY against the EUR.

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

- **Statement of Financial Position**:

	31/3/2017	31/12/2016	Change
EUR / USD	1,07	1,05	1,9%
EUR / JMD	136,52	135,02	1,1%
EUR / TRY	3,89	3,71	4,9%
EUR / PEN	3,47	3,53	-1,7%
EUR / AZN	1,83	1,85	-1,1%
EUR / ARS	16,44	16,67	-1,4%
EUR / PLN	4,23	4,41	-4,1%
EUR / BRL	3,38	3,43	-1,5%

- **Income Statement**:

	Avg. 1/1-31/3/2017	Avg. 1/1-31/3/2016	Change
EUR / USD	1,06	1,10	-3,6%
EUR / JMD	136,98	133,23	2,8%
EUR / TRY	3,94	3,25	21,2%
EUR / PEN	3,50	3,80	-7,9%
EUR / AZN	1,92	1,74	10,3%
EUR / ARS	16,69	15,94	4,7%
EUR / PLN	4,32	4,37	-1,1%
EUR / BRL	3,35	4,30	-22,1%

Other Reserves

	GROUP		COMPANY	
	31/3/2017	31/12/2016	31/3/2017	31/12/2016
Statutory reserve	27.735	27.076	15.896	15.896
Extraordinary reserves	1.687	1.689	1.456	1.456
Tax free and specially taxed reserves	31.247	31.245	28.601	28.601
Actuarial differences reserve	-37	-37	-82	-82
Hedging reserve	113	0	113	0
Revaluation reserve	-4.385	-3.937	-2.201	-1.935
Total	**56.360**	**56.036**	**43.783**	**43.936**

Analysis of changes in other comprehensive income by category of reserves

GROUP 1/1-31/3/2017	Revaluation Reserve	Hedging reserve	Foreign exchange differences reserve	Retained Earnings	Total	Non-controlling interest	Grand total
Defined benefit plans revaluation for subsidiaries and parent company	0	0	0	9	**9**	11	**20**
Valuation of available for sale financial assets of subsidiaries and parent company	-448	0	0	0	**-448**	13	**-435**
Valuation of derivatives of subsidiaries and parent company	0	113	0	0	**113**	0	**113**
Foreign exchange differences on consolidation of subsidiaries	0	0	-3.605	0	**-3.605**	-1.610	**-5.215**
Share of foreign exchange differences on consolidation of associates and joint ventures	0	0	-1.071	0	**-1.071**	0	**-1.071**
Other comprehensive income / (expenses) after tax	**-448**	**113**	**-4.676**	**9**	**-5.002**	**-1.586**	**-6.588**

GROUP 1/1-31/3/2016	Revaluation Reserve	Hedging reserve	Foreign exchange differences reserve	Retained Earnings	Total	Non-controlling interest	Grand total
Defined benefit plans revaluation for subsidiaries and parent company	0	0	0	-44	**-44**	-56	**-100**
Valuation of available for sale financial assets of subsidiaries and parent company	-1.056	0	0	0	**-1.056**	0	**-1.056**
Valuation of derivatives of subsidiaries and parent company	0	-50	0	0	**-50**	0	**-50**
Foreign exchange differences on consolidation of subsidiaries	0	0	-2.209	0	**-2.209**	-3.030	**-5.239**
Share of foreign exchange differences on consolidation of associates and joint ventures	0	0	-4.167	0	**-4.167**	0	**-4.167**
Other comprehensive income / (expenses) after tax	**-1.056**	**-50**	**-6.376**	**-44**	**-7.526**	**-3.086**	**-10.612**

COMPANY 1/1-31/3/2017	Revaluation Reserve	Hedging reserve	Total
Valuation of available for sale financial assets	-266	0	**-266**
Valuation of derivatives	0	113	**113**
Other comprehensive income / (expenses) after tax	**-266**	**113**	**-153**

COMPANY 1/1-31/3/2016	Revaluation Reserve	Hedging reserve	Total
Valuation of available for sale financial assets	4	0	**4**
Valuation of derivatives	0	-50	**-50**
Other comprehensive income / (expenses) after tax	**4**	**-50**	**-46**

2.16 DIVIDENDS

	GROUP		COMPANY	
Declared dividends of ordinary shares:	**31/3/2017**	**31/12/2016**	**31/3/2017**	**31/12/2016**
Final dividend of period 2012-2013	0	689	0	0
Final dividend of 2014	172	32	0	0
Final dividend of 2015	482	26.572	0	0
Interim dividend of 2016	0	16.255	0	0
Final dividend of 2016	22.443	0	0	0
Interim dividend of 2017	2.243	0	0	0
Dividend per statement of changes in equity	**25.340**	**43.548**	**0**	**0**

Paid Dividends on ordinary shares:

During the three months of 2017 dividends paid on ordinary shares, aggregated €10.787 thousand (three months 2016: €9.378 thousand).

2.17 LONG TERM LOANS

			GROUP		COMPANY	
	Currency	**Interest rate**	**31/3/2017**	**31/12/2016**	**31/3/2017**	**31/12/2016**
Facility A (€250 million)	EUR	6,00%	250.031	245.998	0	0
Facility B (€250 million)	EUR	6,75%	242.079	245.494	0	0
Facility C (€225 million)	EUR	1M Euribor + 5,50%	167.095	156.964	0	0
Intercompany Loans			0	0	236.364	237.348
Other			8.609	8.709	0	0
Total Loans			**667.814**	**657.165**	**236.364**	**237.348**
Less: Payable during the next year			-10.796	-13.273	0	0
Long Term Loans			**657.018**	**643.892**	**236.364**	**237.348**

- Facility A: On May 2014, Intralot Capital Luxembourg issued Senior Notes with a nominal value of €250 million, guaranteed by the parent company and subsidiaries of the Group, due May 15 2021. The Notes were offered at an issue price of 99,294%. Interest is payable semi-annually at an annual fixed nominal coupon of 6%. The Notes are trading on the Luxembourg Stock Exchanges Euro MTF Market. The Notes bear the Group financial covenants with respect to Net Debt to EBITDA (Leverage ratio), and financial expenses coverage ratio (Fixed Charge Coverage ratio). The Group was in compliance with the covenants under Notes as at 31/3/2017.

- Facility B: On 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 September 15, 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 bond proceeds were used for the partial repayment of Facility C. The Notes bear the Group financial covenants with respect to Net Debt to EBITDA (Leverage ratio), and financial expenses coverage ratio (Fixed Charge Coverage ratio).The Group was in compliance with the covenants under Notes as at 31/3/2017.
- Facility C: On December 2016, Intralot Finance UK Ltd signed a syndicated loan guaranteed by the parent and subsidiaries of the Group amounting €225 million. The loan will have three year duration (with a two-year extension option) and the limit is set at €225 million, of which €86,1 million are in the form of revolving facility, €98,9 as term loan and €40 million as standby revolving facility. The outstanding loan balance on 31/3/2017 was €170 million and bears a floating rate (Euribor) plus a 5,50% margin. Under the revolving credit facility the Group has the right to borrow, repay and use the loan limit until maturity. Additionally, voluntary prepayments and commitment reductions under the Credit Agreement are permitted at any time in whole or in part, without premium or penalty (other than break-funding costs). The financial terms of the loan, include minimum ratio requirements of total net debt to EBITDA (Leverage Ratio) and the Interest Coverage ratio. The Group on 31/3/2017 covers the economic clauses of the syndicated loan.

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.

Reconciliation of liabilities arising from financing activities:

	Balance 31/12/2016	Cash flows	Non cash adjustments			Balance 31/3/2017
			Accrued interest	Foreign exchange differences	Transfers	
Long term loans	643.892	12.030	286	8	802	657.018
Short term loans	13.273	-12.936	11.226	35	-802	10.796
Long term finance lease	684	-84	0	-7	0	593
Short term finance lease	1.460	-405	32	-4	0	1.083
Total liabilities from financing activities	**659.309**	**-1.395**	**11.544**	**32**	**0**	**669.490**

	Balance 31/12/2015	Cash flows	Non cash adjustments					Balance 31/12/2016
			Accrued interest	Foreign exchange differences	New consolidated entities / Companies disposal	Transfers	Loss on bond buy back / Unpaid issuing cost	
Long term loans	716.094	-100.045	25.791	0	1.994	2.267	-2.209	643.892
Short term loans	29.365	-66.889	52.773	24	267	-2.267	0	13.273
Long term finance lease	1.966	-1.296	0	14	0	0	0	684
Short term finance lease	6.815	-5.662	304	3	0	0	0	1.460
Total liabilities from financing activities	**754.240**	**-173.892**	**78.868**	**41**	**2.261**	**0**	**-2.209**	**659.309**

2.18 SHARED BASED BENEFITS

The Group had no active option plan during the three months of 2017.

2.19 FINANCIAL ASSETS AND LIABILITIES

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

31/3/2017 Financial assets:	Loans and receivables	Available for sale financial assets	Derivative financial assets	Total
Trade receivables	94.683	0	0	**94.683**
Receivables from related parties	24.451	0	0	**24.451**
Prepaid expenses and other receivable	92.026	0	0	**92.026**
Bad debtors provisions	-17.689	0	0	**-17.689**
Other quoted financial assets	0	1.788	0	**1.788**
Other unquoted financial assets	0	19.952	113	**20.065**
Total	**193.471**	**21.740**	**113**	**215.324**
Long term	23.793	21.740	0	**45.533**
Short term	169.678	0	113	**169.791**
Total	**193.471**	**21.740**	**113**	**215.324**

31/12/2016 Financial assets:	Loans and receivables	Available for sale financial assets	Total
Trade receivables	96.794	0	**96.794**
Receivables from related parties	26.880	0	**26.880**
Prepaid expenses and other receivable	86.520	0	**86.520**
Bad debtors provisions	-17.808	0	**-17.808**
Other quoted financial assets	0	1.949	**1.949**
Other unquoted financial assets	0	19.961	**19.961**
Total	**192.386**	**21.910**	**214.296**
Long term	22.407	21.910	**44.317**
Short term	169.979	0	**169.979**
Total	**192.386**	**21.910**	**214.296**

31/3/2017 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
Trade Payables	48.223	0	0	**48.223**
Payables to related parties	40.564	0	0	**40.564**
Other liabilities	65.958	0	0	**65.958**
Derivatives	0	0	0	**0**
Borrowing and finance lease	669.490	0	0	**669.490**
Total	**824.235**	**0**	**0**	**824.235**
Long term	674.528	0	0	**674.528**
Short term	149.707	0	0	**149.707**
Total	**824.235**	**0**	**0**	**824.235**

31/12/2016 **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**
Trade Payables	48.349	0	0	**48.349**
Payables to related parties	31.337	0	0	**31.337**
Other liabilities	65.726	0	0	**65.726**
Derivatives	0	0	0	**0**
Borrowing and finance lease	659.309	0	0	**659.309**
Total	**804.721**	**0**	**0**	**804.721**
Long term	661.847	0	0	**661.847**
Short term	142.874	0	0	**142.874**
Total	**804.721**	**0**	**0**	**804.721**

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

31/3/2017 **Financial assets:**	**Loans and receivables**	**Available for sale financial assets**	**Derivative financial assets**	**Total**
Trade receivables	45.325	0	0	**45.325**
Receivables from related parties	86.761	0	0	**86.761**
Prepaid expenses and other receivable	38.812	0	0	**38.812**
Bad debtors provisions	-47.031	0	0	**-47.031**
Other quoted financial assets	0	33	0	**33**
Other unquoted financial assets	0	1.184	113	**1.297**
Total	**123.867**	**1.217**	**113**	**125.197**
Long term	144	1.217	0	**1.361**
Short term	123.723	0	113	**123.836**
Total	**123.867**	**1.217**	**113**	**125.197**

31/12/2016 **Financial assets:**	**Loans and receivables**	**Available for sale financial assets**	**Total**
Trade receivables	47.542	0	**47.542**
Receivables from related parties	89.352	0	**89.352**
Prepaid expenses and other receivable	38.292	0	**38.292**
Bad debtors provisions	-47.032	0	**-47.032**
Other quoted financial assets	0	24	**24**
Other unquoted financial assets	0	1.459	**1.459**
Total	**128.154**	**1.483**	**129.637**
Long term	144	1.483	**1.627**
Short term	128.010	0	**128.010**
Total	**128.154**	**1.483**	**129.637**

31/3/2017 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
Trade Payables	11.667	0	0	**11.667**
Payables to related parties	40.024	0	0	**40.024**
Other liabilities	7.597	0	0	**7.597**
Derivatives	0	0	0	**0**
Borrowing and finance lease	236.364	0	0	**236.364**
Total	**295.652**	**0**	**0**	**295.652**
Long term	236.364	0	0	**236.364**
Short term	59.288	0	0	**59.288**
Total	**295.652**	**0**	**0**	**295.652**

31/12/2016 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
Trade Payables	10.468	0	0	**10.468**
Payables to related parties	46.432	0	0	**46.432**
Other liabilities	8.971	0	0	**8.971**
Derivatives	0	0	0	**0**
Borrowing and finance lease	237.348	0	0	**237.348**
Total	**303.219**	**0**	**0**	**303.219**
Long term	237.348	0	0	**237.348**
Short term	65.871	0	0	**65.871**
Total	**303.219**	**0**	**0**	**303.219**

Estimated fair value

Below is a comparison by category of carrying amounts and fair values of financial assets and liabilities of the Group and the Company as at 31 March 2017 and 31 December 2016:

	GROUP			
	Carrying Amount		Fair Value	
Financial Assets	**31/3/2017**	**31/12/2016**	**31/3/2017**	**31/12/2016**
Other long-term financial assets - classified as "available for sale"	21.740	21.910	21.740	21.910
Other long-term receivables	23.793	22.407	23.793	22.407
Trade and other short-term receivables	169.678	169.979	169.678	169.979
Short term derivative financial assets	113	0	113	0
Cash and cash equivalents	160.547	164.401	160.547	164.401
Total	**375.381**	**378.697**	**375.381**	**378.697**
Financial Liabilities				
Long-term loans	657.018	643.892	673.126	656.502
Other long-term liabilities	16.917	17.271	16.917	17.271
Liabilities from finance leases	593	684	593	684
Trade and other short term payables	137.828	128.141	137.828	128.141
Short-term loans and finance lease	11.879	14.733	11.969	14.791
Total	**824.235**	**804.721**	**840.433**	**817.389**

	COMPANY			
	Carrying Amount		Fair Value	
Financial Assets	**31/3/2017**	**31/12/2016**	**31/3/2017**	**31/12/2016**
Other long-term financial assets - classified as "available for sale"	1.217	1.483	1.217	1.483
Other long-term receivables	144	144	144	144
Trade and other short-term receivables	123.723	128.010	123.723	128.010
Short term derivative financial assets	113	0	113	0
Cash and cash equivalents	25.759	20.356	25.759	20.356
Total	**150.956**	**149.993**	**150.956**	**149.993**
Financial Liabilities				
Long-term loans	236.364	237.348	236.364	237.348
Trade and other short term payables	59.288	65.871	59.288	65.871
Total	**295.652**	**303.219**	**295.652**	**303.219**

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

Fair value hierarchy

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

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

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

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

The Group and the Company held on 31/3/2017 the following assets and liabilities measured at fair value:

GROUP	**Fair Value 31/3/2017**	**Fair value hierarchy Level 1**	**Level 2**	**Level 3**
Financial assets measured at fair value				
Other financial assets classified as “Available for sale”	**21.740**	**1.788**	**0**	**19.952**
- Quoted shares	*1.788*	*1.788*	*0*	*0*
- Unquoted shares	*19.952*	*0*	*0*	*19.952*
Derivative financial instruments	**113**	**0**	**113**	**0**
Financial liabilities measured at fair value				
Derivative financial instruments	**0**	**0**	**0**	**0**

COMPANY	**Fair Value 31/3/2017**	**Fair value hierarchy Level 1**	**Level 2**	**Level 3**
Financial assets measured at fair value				
Other financial assets classified as “Available for sale”	**1.217**	**33**	**0**	**1.184**
- Quoted shares	*33*	*33*	*0*	*0*
- Unquoted shares	*1.184*	*0*	*0*	*1.184*
Derivative financial instruments	**113**	**0**	**113**	**0**
Financial liabilities measured at fair value				
Derivative financial instruments	**0**	**0**	**0**	**0**

During 2017 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 31/12/2016 the following assets and liabilities measured at fair value:

GROUP	Fair Value 31/12/2016	Fair value hierarchy Level 1	Level 2	Level 3
Financial assets measured at fair value				
Other financial assets classified as "Available for sale"	**21.910**	**1.949**	**0**	**19.961**
- Quoted shares	*1.949*	*1.949*	*0*	*0*
- Unquoted shares	*19.961*	*0*	*0*	*19.961*
Derivative financial instruments	**0**	**0**	**0**	**0**
Financial liabilities measured at fair value				
Derivative financial instruments	**0**	**0**	**0**	**0**

COMPANY	Fair Value 31/12/2016	Fair value hierarchy Level 1	Level 2	Level 3
Financial assets measured at fair value				
Other financial assets classified as "Available for sale"	**1.483**	**24**	**0**	**1.459**
- Quoted shares	*24*	*24*	*0*	*0*
- Unquoted shares	*1.459*	*0*	*0*	*1.459*
Derivative financial instruments	**0**	**0**	**0**	**0**
Financial liabilities measured at fair value				
Derivative financial instruments	**0**	**0**	**0**	**0**

During 2016 there were no transfers between Level 1 and 2 in the hierarchy of fair value or transfer in and out of Level 3.

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

Unquoted shares	GROUP	COMPANY
Balance 1/1/2016	**24.273**	**3.219**
Period purchases	1.450	0
Additions due to acquisition	90	0
Return of capital	-3.292	0
Fair value adjustment	-2.439	-1.760
Period sales	-90	0
Foreign exchange differences	-31	0
Balance 31/12/2016	**19.961**	**1.459**
Period purchases	400	0
Disposals	-15	0
Fair value adjustment	-387	-275
Foreign exchange differences	-7	0
Balance 31/3/2017	**19.952**	**1.184**

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 "Available for sale") derives from quoted market closing prices in active markets at the reporting date.

- Fair value of the unquoted shares (classified as "Available for sale") is estimated by reference to the current market value of another item substantially similar or using a DCF model. The valuation through the DCF model requires management to make certain assumptions about the model inputs, including forecast cash flows, the discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.
- Fair value of the quoted bonds is based on price quotations at the reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.
- The Group uses derivative financial instruments such as forward currency contracts, interest rate swaps, currency swaps and other derivatives in order to hedge risks related to interest rates and foreign currency fluctuations. Such derivative financial instruments are measured at fair value at each reporting date. The fair value of these derivatives is measured mainly by reference of the market value and is verified by the financial institutions.

Description of significant unobservable inputs to valuation:

The fair value of unquoted shares (classified as "Available for sale") 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 "Available for sale")

Valuation method	Significant unobservable inputs	Range (Weighted Average) 31/12/2016	31/12/2015
DCF	Sales growth rate	0.0% - 95.8% (5.3%)	6.0% - 6.0% (6.0%)
	Growth rate beyond budgets period	0.0% - 13.1% (4.1%)	0.0% - 6.0% (5.7%)
	Discount rates (WACC)	6.4% - 18.9% (18.2%)	7.9% - 19.5% (19.0%)

Sensitivity analysis of recoverable amounts:

On 31/12/2016, 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 CONSOLIDATON

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

I. Full consolidation:		Domicile	% Direct Part'n	% Indirect Part'n	% Total Part'n
	INTRALOT SA	Maroussi, Greece	Parent	Parent	-
3.	BETTING COMPANY S.A.	Maroussi, Greece	95%	5%	100%
23.	BETTING CYPRUS LTD	Nicosia, Cyprus		100%	100%
	INTRALOT IBERIA HOLDINGS SA	Madrid, Spain	100%		100%
27.	INTRALOT JAMAICA LTD	Kingston, Jamaica		100%	100%
27.	INTRALOT TURKEY A.S.	Istanbul, Turkey	50%	49,99%	99,99%
27.	INTRALOT DE MEXICO LTD	Mexico City, Mexico		99,80%	99,80%
27.	INTRALOT CHILE SPA	Santiago, Chile		100%	100%
27.	INTELTEK INTERNET AS	Istanbul, Turkey	20%	25%	45%
28.	AZERINTELTEK AS	Baku, Azerbaijan		22,95%	22,95%
	POLDIN LTD	Warsaw, Poland	100%		100%
	ATROPOS S.A.	Maroussi, Greece	100%		100%
	INTRALOT SERVICES S.A.	Paiania, Greece	100%		100%
	INTRALOT ADRIATIC DOO	Zagreb, Croatia	100%		100%
	BILYONER INTERAKTIF HIZMELTER AS GROUP	Istanbul, Turkey	50,01%		50,01%
	INTRALOT MAROC S.A.	Casablanca, Morocco	99,83%		99,83%
2.	GAMING SOLUTIONS INTERNATIONAL LTDA	Bogota, Colombia	99%	1%	100%
2.	INTRALOT INTERACTIVE S.A.	Maroussi, Greece	65,24%	30,70%	95,94%
	INTRALOT GLOBAL SECURITIES B.V.	Amsterdam, Netherlands	100%		100%
1.	INTRALOT FINANCE LUXEMBOURG S.A.	Luxembourg, Luxembourg		100%	100%
1.	INTRALOT CAPITAL LUXEMBOURG S.A.	Luxembourg, Luxembourg		100%	100%
1,2,3,4.	INTRALOT GLOBAL HOLDINGS B.V.	Amsterdam, Netherland		100%	100%
5.	INTRALOT INC	Atlanta, USA		100%	100%
12.	DC09 LLC	Wilmington, USA		49%	49%
5.	INTRALOT AUSTRALIA PTY LTD	Melbourne, Australia		100%	100%
26.	INTRALOT GAMING SERVICES PTY	Melbourne, Australia		100%	100%
5.	ILOT CAPITAL UK LTD	Hertfordshire, United Kingdom	0,02%	99,98%	100%
5.	ILOT INVESTMENT UK LTD	Hertfordshire, United Kingdom	0,02%	99,98%	100%
5.	INTRALOT NEDERLAND B.V.	Amsterdam, Netherlands		100%	100%
5.	LOTROM S.A.	Bucharest, Romania		60%	60%
5.	INTRALOT BEIJING Co LTD	Beijing, China		100%	100%
5.	TECNO ACCION S.A.	Buenos Aires, Argentina		50,01%	50,01%
5.	TECNO ACCION SALTA S.A.	Buenos Aires, Argentina		50,01%	50,01%
5.	MALTCO LOTTERIES LTD	Valetta, Malta		73%	73%
5.	INTRALOT NEW ZEALAND LTD	Wellington, New Zealand		100%	100%
5.	INTRALOT DO BRAZIL LTDA	Sao Paulo, Brazil		80%	80%
14.	OLTP LTDA	Rio de Janeiro, Brazil		80%	80%
5.	INTRALOT GERMANY GMBH	Munich, Germany		100%	100%

I. Full consolidation:		Domicile	% Direct Part'n	% Indirect Part'n	% Total Part'n
5.	INTRALOT SOUTH KOREA S.A.	Seoul, S. Korea		100%	100%
5.	INTRALOT FINANCE UK LTD	London, United Kingdom		100%	100%
5.	INTRALOT ASIA PACIFIC LTD	Hong Kong, China		100%	100%
5.	WHITE EAGLE INVESTMENTS LTD	Hertfordshire, United Kingdom		100%	100%
5.	BETA RIAL Sp.Zoo	Warsaw, Poland		100%	100%
5.	POLLOT Sp.Zoo	Warsaw, Poland		100%	100%
15,16,17	TOTOLOTEK S.A.	Warsaw, Poland		95,45%	95,45%
5.	INTRALOT SLOVAKIA SPOL. S.R.O.	Bratislava, Slovakia		100%	100%
5.	SLOVENSKE LOTERIE A.S.	Bratislava, Slovakia		51%	51%
5.	NIKANTRO HOLDINGS Co LTD	Nicosia, Cyprus		100%	100%
19.	LOTERIA MOLDOVEI S.A.	Chisinau, Moldova	47,90%	32,85%	80,75%
5.	INTRALOT BETTING OPERATIONS (CYPRUS) LTD	Nicosia, Cyprus		54,95%	54,95%
5,6.	ROYAL HIGHGATE LTD	Nicosia, Cyprus		35,08%	35,08%
5.	INTRALOT LEASING NEDERLAND B.V.	Amsterdam, Netherland		100%	100%
5.	INTRALOT IRELAND LTD	Dublin, Ireland		100%	100%
5.	BILOT INVESTMENT LTD	Sofia, Bulgaria		100%	100%
34.	EUROBET LTD	Sofia, Bulgaria		49%	49%
35.	EUROBET TRADING LTD	Sofia, Bulgaria		49%	49%
35.	ICS S.A.	Sofia, Bulgaria		49%	49%
5.	TECNO ACCION URUGUAY S.A. (Pilmery Corporation S.A.)	Montevideo, Uruguay		50,10%	50,10%
5.	INTRALOT GLOBAL OPERATIONS B.V.	Amsterdam, Netherland		100%	100%
5,2.	GAMEWAY LTD	Valletta, Malta		100%	100%
5.	INTRALOT ITALIAN INVESTMENTS B.V.	Amsterdam, Netherlands		100%	100%
5.	INTRALOT CYPRUS GLOBAL ASSETS LTD	Nicosia, Cyprus		100%	100%
8.	INTRALOT OOO	Moscow, Russia		100%	100%
8.	INTRALOT ST. LUCIA LTD	Castries, Santa Lucia		100%	100%
9.	INTRALOT GUATEMALA S.A.	Guatemala City, Guatemala		100%	100%
10.	LOTERIAS Y APUESTAS DE GUATEMALA S.A.	Guatemala City, Guatemala		51%	51%
9.	INTRALOT DOMINICANA S.A.	St. Dominicus, Dominican Republic		100%	100%
9.	INTRALOT LATIN AMERICA INC	Miami, USA		100%	100%
9.	CARIBBEAN VLT SERVICES LTD	Castries, Santa Lucia		50,001%	50,001%
9.	INTRALOT CARIBBEAN VENTURES LTD	Castries, Santa Lucia		50,05%	50,05%
11.	SUPREME VENTURES LTD	Kingston, Jamaica		24,97%	24,97%
	INTRALOT HOLDINGS INTERNATIONAL LTD	Nicosia, Cyprus	100%		100%
2.	INTRALOT INTERNATIONAL LTD	Nicosia, Cyprus		100%	100%
3.	INTRALOT OPERATIONS LTD	Nicosia, Cyprus		100%	100%
2,4.	NETMAN SRL	Bucharest, Romania		100%	100%
2.	BILOT EOOD	Sofia, Bulgaria		100%	100%
20.	EUROFOOTBALL LTD	Sofia, Bulgaria		49%	49%
21.	EUROFOOTBALL PRINT LTD	Sofia, Bulgaria		49%	49%
2.	INTRALOT TECHNOLOGIES LTD	Nicosia, Cyprus		100%	100%
22.	INTRALOT LOTTERIES LTD	Nicosia, Cyprus	51%	49%	100%

	I. Full consolidation:	Domicile	% Direct Part'n	% Indirect Part'n	% Total Part'n
2.	INTRALOT BUSINESS DEVELOPMENT LTD	Nicosia, Cyprus		100%	100%
2,4.	GAMING SOLUTIONS INTERNATIONAL SAC	Lima, Peru		100%	100%
2.	NAFIROL S.A.	Montevideo, Uruguay		100%	100%
2.	LEBANESE GAMES S.A.L	Beirut, Lebanon		99,99%	99,99%
2.	INTRALOT HONG KONG HOLDINGS LTD	Hong Kong, China		100%	100%
2.	ENTERGAMING LTD	Alderney, Guernsey		100%	100%
2.	INTRALOT BETTING OPERATIONS RUSSIA LTD	Nicosia, Cyprus		100%	100%
24.	FAVORIT BOOKMAKERS OFFICE OOO	Moscow, Russia		100%	100%

	II. Equity method:	Domicile	% Direct Part'n	% Indirect Part'n	% Total Part'n
	LOTRICH INFORMATION Co LTD	Taipei, Taiwan	40%		40%
	INTRALOT SOUTH AFRICA LTD	Johannesburg, S. Africa	45%		45%
2,3.	GOREWARD LTD	Taipei, Taiwan		49,99%	49,99%
29.	GOREWARD INVESTMENTS LTD	Taipei, Taiwan		49,99%	49,99%
29.	PRECIOUS SUCCESS LTD GROUP	Hong Kong, China		24,49%	24,49%
29.	GAIN ADVANCE GROUP LTD	Hong Kong, China		49,99%	49,99%
29.	OASIS RICH INTERNATIONAL LTD	Taipei, Taiwan		49,99%	49,99%
30.	WUSHENG COMPUTER TECHNOLOGY (SHANGHAI) CO LTD	Shanghai, China		49,99%	49,99%
5.	BIT8 LTD	Valletta, Malta		39%	39%
18.	SWITCH IT NV	Willemstad, Curacao		39%	39%
18.	FUTURE PLATFORMS LTD	Valletta, Malta		39%	39%
2.	UNICLIC LTD	Nicosia, Cyprus		50%	50%
25.	DOWA LTD	Nicosia, Cyprus		30%	30%
36.	GAMENET GROUP S.p.A. [3]	Rome, Italy		20%	20%
31.	GAMENET S.p.A. [2]	Rome, Italy		20%	20%
32.	INTRALOT HOLDING & SERVICES S.p.A. [1]	Rome, Italy		20%	20%
32,7.	INTRALOT GAMING MACHINES S.p.A. [1]	Rome, Italy		20%	20%
7.	INTRALOT ITALIA S.p.A [1]	Rome, Italy		20%	20%
13.	VENETA SERVIZI S.R.L. [1]	Rome, Italy		20%	20%
32.	GAMENET ENTERTAINMENT S.R.L.	Rome, Italy		20%	20%
33.	GAMECITY S.R.L.	Camaiore, Italy		20%	20%
32.	GAMENET SCOMMESSE S.p.A.	Rome, Italy		20%	20%
32.	GAMENET RENTING S.R.L.	Rome, Italy		20%	20%
32.	TOPPLAY S.R.L.	Rome, Italy		20%	20%
32.	GNETWORK S.R.L.	Rome, Italy		20%	20%
32.	VERVE S.p.A.	Campione d'Italia, Italy		10,20%	10,20%
32.	BILLIONS ITALIA S.R.L.	Rome, Italy		10,20%	10,20%
32.	JOLLY VIDEOGIOCHI S.R.L.	Rome, Italy		14%	14%
32.	NEW MATIC S.R.L.	Rome, Italy		10,20%	10,20%
32.	AGESOFT S.R.L.	Rome, Italy		12%	12%
	INTRALOT DE PERU SAC [2]	Lima, Peru	20%		20%

Subsidiary of the company:		
1: Intralot Global Securities BV	13: Intralot Italia S.p.A.	25: Uniclic LTD
2: Intralot Holdings International LTD	14: Intralot Do Brazil LTDA	26: Intralot Australia PTY LTD
3: Intralot International LTD	15: Pollot Sp.Zoo	27: Intralot Iberia Holdings S.A.
4: Intralot Operations LTD	16: White Eagle Investments LTD	28: Inteltek Internet AS
5: Intralot Global Holdings BV	17: Beta Rial Sp.Zoo.	29: Goreward LTD
6: Intralot Betting Operations(Cyprus) LTD	18: Bit8 LTD	30: Oasis Rich International LTD
7: Intralot Holding & Services S.p.A.	19: Nikantro Holdings Co LTD	31: Gamenet Group S.p.A.
8: Intralot Cyprus Global Assets LTD	20: Bilot EOOD	32: Gamenet S.p.A.
9: Intralot St.Lucia LTD	21: Eurofootball LTD	33: Gamenet Entertainment S.R.L.
10: Intralot Guatemala S.A.	22: Intralot Technologies LTD	34: Bilot Investment Ltd
11: Intralot Caribbean Ventures LTD	23: Betting Company S.A.	35: Eurobet Ltd
12: Intralot Inc	24: Intralot Betting Operations Russia LTD	36: Intralot Italian Investments B.V.

[1] The companies Intralot Holding & Services S.p.A., Intralot Gaming Machines S.p.A., Intralot Italia S.p.A. and Veneta Servizi Srl were consolidated until 27/6/2016 with the full consolidation method and from 28/6/2016 with the equity method after the contribution from Intralot Global Holdings BV in Gamenet Group S.p.A. under the agreement with Trilantic Capital Partners Europe, the principal shareholder of Gamenet S.p.A. (note 2.20.A.VIII.A).
[2] The company Intralot De Peru SAC was consolidated until 24/11/2016 with the full consolidation method and from 25/11/2016 with the equity method following the sale of share 80% in NG Entertainment Peru S.A.C. (Note 2.20.A.VIII.A).
[3] The Group consolidated on 31/3/2017 the Group Gamenet Group S.p.A. with the equity method using the financial statements for the period 1/10-31/12/2016 pursuant to IAS 28 para. 34, since the deadlines for the preparation and approval of the financial statements of the Group Gamenet Group S.p.A. are later than those of Intralot Group.

The entities Atropos S.A., Nafirol S.A., Intralot Dominicana S.A., Gaming Solutions International Ltda and Gain Advance Group LTD are under liquidation process.

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

On 31/3/2017, 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 2016 for IFRS Group reporting purposes.

III. Acquisitions

Eurobet Ltd Group - Bulgaria

On April 2016, the Group announced the acquisition, through its Bulgarian subsidiary Bilot Investment Ltd, of a strategic stake in Eurobet Ltd a leading gaming company in Bulgaria. The Group acquired a 49% stake in Eurobet Ltd, a company that offers to the Bulgarian market numerical games and scratch tickets through a network of 1.100 points of sales countrywide. The Group already has a strong presence in Bulgaria, holding since 2002 a 49% share of Eurofootball Ltd, a company that offers Fixed Odds and Live Betting through a network of 850 shops.

The cost of the transaction amounts to €19,5 million and will be paid as follows: €5,85 million deposit and the remaining amount in installments over an 18 months period. The EV/EBITDA ratio for the acquisition of the share amounted to approximately 5x. The acquisition was completed in early July

2016, after approval by the Competition Protection Commission. The Eurobet Group (Eurobet Ltd, Eurobet Trading Ltd & ICS SA) is consolidated since July 2016 with the full consolidation method.

The fair values of the identifiable assets and liabilities of Eurobet Ltd Group on the acquisition date were:

	Fair Value
Tangible assets	3.000
Intangible assets	593
Other financial assets	90
Inventories	592
Trade and other short term receivables	5.023
Cash and cash equivalents	104
Long term loans	-2.451
Staff retirement indemnities	-10
Short term loans and finance lease	-1.108
Trade and other short term payables	-3.755
Short term provisions	-23
Total fair value of net identifiable assets	**2.055**
Fair value of net identifiable assets attributable to non-controlling interests	-1.048
Goodwill recognized on acquisition	18.493
Total acquisition consideration	**19.500**
Analysis of cash flows on acquisition:	
Cash and cash equivalents acquired	104
Acquisition consideration in cash	-5.850
Net cash flow on acquisition	**-5.746**
Acquisition consideration in cash paid after the acquisition date and during 2016	-4.816
Acquisition consideration in cash paid after the acquisition date and during 2017	-2.723

During the three months of 2017, the Eurobet Group contributed revenue (sale proceeds) amounting €15.767 thousand and earnings before taxes from continuing operations amounting to €1.697 thousand.

IV. New Companies of the Group:

During the three months of 2017 the Group proceeded to the establishment of the subsidiary company Intralot Italian Investments B.V. (100%).

V. Changes in ownership percentage during 2017:

During the three months of 2017 the Group did not make any change in the participation percentage in a subsidiary or associate company.

VI. Subsidiaries' Share Capital Increase:

During the three months of 2017 the Group completed a share capital increase through payment in cash in Netman SRL amounting €214 thousand.

VII. Strike off - Disposal of Group Companies:

In January 2017, the Group completed the liquidation and strike off of its subsidiary, Intralot Argentina S.A.

VIII. Discontinued Operations

A) Italy

On 25/6/2016 the Group announced that it has signed an agreement, with Trilantic Capital Partners Europe, the main shareholder of Gamenet S.p.A ("Gamenet") in Italy, concerning the merge of the Group activities in Italy (subsidiaries Intralot Holding & Services S.p.A., Intralot Gaming Machines S.p.A., Intralot Italia S.p.A. and Veneta Servizi Srl) into those of Gamenet, one of the largest network concessionaires of VLT, AWP, betting and online gaming in the country. This announcement was made following the announcement of the signing of a Memorandum of Understanding (MoU) on 21/3/2016. Following the completion of the agreement on 27/6/2016 and the approval of the competent Competition Authority, the Group now participates with 20% in the combined operation (Gamenet Group S.p.A. – note 2.20.A.II), with a network of approximately 750 betting POS, that will continue to use INTRALOT's brand name, approximately 8.200 VLTs, over 50.000 AWPs and more than 60 gaming halls owned by the company. The above subsidiaries are presented in the geographical operating segment "European Union" (note 2.2). Since 31/3/2016 the above activities of the Group subsidiaries in Italy were classified as assets held for sale and discontinued operations.

Below are presented the results of discontinued operations of the Group subsidiaries in Italy for the first three months of 2016 (in 2016 they were consolidated with the full consolidation method until 27/6/2016):

	1/1-31/3/2016
Sale proceeds	164.302
Expenses	-166.800
Other operating income	202
Other operating expenses	-620
EBIT	**-2.916**
EBITDA	**4.141**
Gain/(loss) from assets disposal, impairment loss and write-off of assets	-309
Interest and similar expenses	-88
Interest and similar income	1
Profit/(loss) before tax	**-3.312**
Income tax	0
	-3.312
Gain/(loss) from disposal of discontinued operations	0
Corresponding tax	0
Profit/(loss) after tax from discontinued operations	**-3.312**

Below are presented the net cash flows of the discontinued operations of the Group subsidiaries in Italy for the first three months of 2016 (in 2016 they were consolidated with the full consolidation method until 27/6/2016):

	1/1-31/3/2016
Operating activities	4.310
Investing activities	-366
Financing activities	-61
Net increase / (decrease) in cash and cash equivalents for the period	**3.883**

Since the end of June, the Group consolidates 20% of the combined operation (Gamenet Group SpA - note 2.20.A.II) with the equity method, the results of which are presented in the line "Profit / (loss) from equity method consolidations" in the Income statement of the Group.

B) Peru

On 26/5/2016 the Group announced that it has reached an agreement with Nexus Group to sell 80% of Intralot de Peru S.A.C., its 100% owned subsidiary in Peru. After the completion of the transaction on 24/11/2016 the Group will continue to be the company's technological provider and will hold a 20% participation in Intralot de Peru S.A.C.'s share capital while NG Entertainment Peru S.A.C. 80%. Intralot de Peru S.A.C. operates numerical games and sports betting in the country through a network of 3.700 POS and the Internet. The agreement is in line with the Group's strategy to create, in selected countries, strategic partnerships with strong local partners that offer substantial synergies and local market know-how, strengthening the development of the local companies. The above subsidiary is presented in the geographical operating segment "America" (note 2.2). Since 30/6/2016 the above activities of the Group in Peru were classified as assets held for sale and discontinued operations.

Below are presented the results of discontinued operations of the Group in Peru (Intralot de Peru S.A.C.) for the period 1/1-31/3/2016 (in 2016 they were consolidated with the full consolidation method until 24/11//2016):

	1/1-31/3/2016
Sale proceeds	30.259
Expenses	-28.498
Other operating income	0
Other operating expenses	-8
EBIT	**1.753**
EBITDA	**2.839**
Gain/(loss) from assets disposal, impairment loss and write-off of assets	0
Interest and similar expenses	-77
Interest and similar income	117
Foreign exchange differences	-163
Profit/(loss) before tax	**1.630**
Income tax	-448
	1.182
Gain/(loss) from disposal of discontinued operations	0
Corresponding tax	0
Profit/(loss) after tax from discontinued operations	**1.182**

Below are presented the net cash flows of the Group's discontinued operations in Peru (Intralot de Peru S.A.C.):

	1/1-31/3/2016
Operating activities	2.688
Investing activities	-60
Financing activities	-83
Net increase / (decrease) in cash and cash equivalents for the period	**2.545**

C) Russia

In December 2016, the Group definitively decided to discontinue its activities regarding the betting services provided through its subsidiary Favorit Bookmakers Office OOO in Russia. The above subsidiary is presented in the geographic operating segment "Rest of Europe" (note 2.2). On

31/12/2016 the above Group's activities in Russia were classified as discontinued operations pursuant to IFRS 5 par.13.

Below are presented the results of discontinued operations of the Group in Russia (Favorit Bookmakers Office OOO) for the first three months of 2017 and 2016:

	1/1-31/3/2017	1/1-31/3/2016
Sale proceeds	0	0
Expenses	-126	-283
Other operating income	0	0
Other operating expenses	0	0
EBIT	**-126**	**-283**
EBITDA	**-119**	**-61**
Gain/(loss) from assets disposal, impairment loss and write-off of assets	0	0
Interest and similar expenses	-6	-6
Interest and similar income	0	4
Foreign exchange differences	-32	-55
Profit/(loss) before tax	**-164**	**-340**
Income tax	0	0
Profit/(loss) after tax from discontinued operations	**-164**	**-340**

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

	1/1-31/3/2017	1/1-31/3/2016
Operating activities	-209	-117
Investing activities	0	0
Financing activities	0	-6
Net increase / (decrease) in cash and cash equivalents for the period	**-209**	**-123**

Below are presented the Profit / (loss) after tax per share of the discontinued operations of the Group subsidiaries in Italy as well as those of Intralot de Peru S.A.C. and Favorit Bookmakers Office OOO:

Earnings / (loss) after tax per share (€) from discontinued operations	1/1-31/3/2017	1/1-31/3/2016
- basic	-0,0010	-0,0156
- diluted	-0,0010	-0,0156
Weighted Average number of shares	157.373.970	158.490.975

B. REAL LIENS

A Group subsidiary in Malta has banking facilities amounting €4,3 million, for issuing bank letters of guarantee. These facility is secured by an initial general mortgage on all the subsidiary's present and future assets (on 31/3/2017 the letters of guarantee used amounted to €4,0 million). Also a Group subsidiary in Bulgaria has secured a loan of €2,3 million by pledging its total trading activity and fixed assets of its subsidiary.

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

On March 31, 2017 the Group had no contractual commitments for the purchase of tangible assets.

C. PROVISIONS

GROUP	Litigation cases [1]	Unaudited fiscal years and tax audit expenses [2]	Other provisions [3]	Total provisions
Period opening balance	**5.087**	**9.329**	**6.435**	**20.851**
Period additions	0	0	58	**58**
Used provisions	0	0	-1.542	**-1.542**
Unused provisions	0	0	-17	**-17**
Discounting	0	0	0	**0**
Foreign exchange differences	125	0	-9	**116**
Period closing balance	**5.212**	**9.329**	**4.925**	**19.466**
Long term provisions	**5.212**	**5.070**	**782**	**11.064**
Short term provisions	**0**	**4.259**	**4.143**	**8.402**
Total	**5.212**	**9.329**	**4.925**	**19.466**

[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 €1.488 thousand as well as provisions for future payments under "onerous contracts" as provided by IAS 37 amounting to € 1.552 thousand. 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	**5.088**	**8.869**	**91**	**14.048**
Period additions	0	0	0	**0**
Foreign exchange differences	124	0	0	**124**
Period closing balance	**5.212**	**8.869**	**91**	**14.172**
Long term provisions	**5.212**	**5.000**	**0**	**10.212**
Short term provisions	**0**	**3.869**	**91**	**3.960**
Total	**5.212**	**8.869**	**91**	**14.172**

[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 31/3/2017 amounted to 5.163 persons (Company/subsidiaries 3.351 and associates 1.812) and the Company's to 710 persons. Respectively on 31/3/2016 the number of employees of the Group amounted to 4.857 persons (Company/subsidiaries 4.752 and associates 105) and the Company 661 persons. At the end of 2016 fiscal year the number of employees of the Group amounted to 5.293 persons (subsidiaries 3.449 and associates 1.844) and the Company 689 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 three months of 2017 and the balances on 31/3/2017 of other related parties:

Amounts reported in thousands of € (total operations)	1/1-31/3/2017 GROUP	COMPANY
Income		
-from subsidiaries	0	18.938
-from associates	972	826
-from other related parties	1.575	1.340
Expenses		
-to subsidiaries	0	4.916
-to associates	-104	-103
-to other related parties	1.433	1.055
BoD and Key Management Personnel transactions and fees	2.485	1.161

Amounts reported in thousands of €	31/3/2017 GROUP	COMPANY
Receivables		
-from subsidiaries	0	71.432
-from associates	10.314	5.610
-from other related parties	14.137	9.719
Payables		
-to subsidiaries	0	258.862
-to associates	259	8
-to other related parties	40.578	17.518
BoD and Key Management Personnel receivables	0	0
BoD and Key Management Personnel payables	69	0

Below there is a summary of the transactions for the three months of 2016 and the balances on 31/12/2016 with related parties:

Amounts reported in thousands of € (total operations)	1/1-31/3/2016 GROUP	COMPANY
Income		
-from subsidiaries	0	9.725
-from associates	528	447
-from other related parties	1.407	1.294
Expenses		
-to subsidiaries	0	5.301
-to associates	2	2
-to other related parties	753	362
BoD and Key Management Personnel transactions and fees	2.675	1.297

Amounts reported in thousands of €	31/12/2016 GROUP	COMPANY
Receivables		
-from subsidiaries	0	73.222
-from associates	10.480	5.788
-from other related parties	16.102	10.342
Payables		
-to subsidiaries	0	265.797
-to associates	562	6
-to other related parties	30.637	17.737
BoD and Key Management Personnel receivables	298	0
BoD and Key Management Personnel payables	476	239

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 three months of 2016, the Company made a reversal of provisions concerning an estimate of reduction of the recoverable value of receivables from subsidiaries amounting to €4,9 million due to realized and expected relevant receipts from these subsidiaries and was recorded in the income statement of the period. The accumulated relevant provisions on 31/3/2017 amounted to €37,4 million (31/12/2016: €37,4 million).

2.21 CONTINGENT LIABILITIES, ASSETS AND COMMITMENTS

A. LITIGATION CASES

a. On 5th September 2005 a lawsuit was served to the company, filed by the company "IPPOTOUR S.A.", against the company and the company "OPAP S.A.". The plaintiff "IPPOTOUR S.A." requested to be acknowledged that the contract signed between OPAP S.A. and the Company should not grant to the latter the right to operate any kind of wagering game on Greek or foreign horse racing, that "OPAP S.A" should not have the right to operate any kind of wagering game on horse racing and that "OPAP S.A." and the company should be excluded from the operation and organization of betting games on horse racing. The hearing of the case had been set for 14th February 2008 when the hearing was postponed for 8th October 2009; at that date the hearing was cancelled due to the national elections. No summons for the schedule of a new hearing date has been served to the company until now. By virtue of the above mentioned lawsuit the plaintiff withdrew of the lawsuit filed against the Company and OPAP SA on 10th January 2003 with the same content, which was set to be heard on 18th May 2005, on which date the said hearing was cancelled. The Legal Department of the Company considers that, in case of the hearing of the case, the above-mentioned lawsuit would not be successful.

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

c. 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 the issue of the decision is pending.

d. 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.

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

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

The Athens Multi-member Court of First Instance issued its decision partially accepting the lawsuit; "Glory Technology Limited" is obliged to pay €50.000 to the first plaintiff, €25.000 to the second plaintiff and €25.000 to the third plaintiff. No appeal of the other party has been served to the Company yet. The Company filed an appeal against the decision requesting that the lawsuit to be accepted in total; no hearing date has been set for the appeal.

On the other hand, the company "Glory Technology Limited" and Mr. Athanassios K. Ktorides filed before the same court their lawsuit dated 19 March 2013 claiming that with the filing of the abovementioned lawsuit (from which unfair competitive behaviour results, as they allege) moral damage was caused to them. With their lawsuit, the plaintiffs were requesting from the court to compel the Company, "Intralot International Limited" and Mr. Socratis Kokkalis to pay jointly and severally monetary compensation for moral damages amounting to €25.000.000 to each of the plaintiffs. The hearing of the case had been scheduled for 16th October 2013. On 23rd September 2013, the plaintiffs withdrew from the lawsuit.

f. In Turkey, GSGM filed before the Ankara Tax Court a lawsuit against the local Tax Authority requesting the annulment of a penalty amounting to TRY 5.075.465 (€1.304.948) imposed on GSGM, since the Tax

Authority considers that stamp duty should have been paid by GSGM also for the second copy of the contract dated 29th August 2008 with İnteltek İnternet Teknoloji Yatırım ve Danışmanlık Ticaret A.Ş. ("Inteltek") as well as for the letter of guarantee securing the minimum turnover of GSGM games. Inteltek intervened in the case before the abovementioned court in favour of GSGM because, according to the contract dated 29th August 2008, GSGM may request from Inteltek the amount that will be finally obliged to pay. The decision issued by the court vindicates GSGM and Inteltek and the abovementioned penalty was cancelled. The Tax Authority filed an appeal which was rejected by the Turkish Council of State which validated the decision of the first instance court that had cancelled the penalty. The Tax Authority applied for the correction of the decision which is pending.

g. 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 (€156.659) plus interest to be paid to them. Next date for the hearing of the case is set the 13th June 2017.

h. 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 (€7,7m). 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; the application was scheduled to be heard before the Athens One-Member First Instance Court on 1 November 2016 when the hearing was postponed for the 16th December 2016 in order to be heard together with an intervention filed by the Company requesting the dismissal of the application. On that date the hearing was postponed for the 6th February 2017 when the case was heard and the issue of the decision is pending. The Company has created relative provision in its financial statements part of which (€2,5m) has already been used for the payment to Etesa of a letter of guarantee amounting to 7.694.081.042 Colombian pesos.

i. 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.

j. 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 is scheduled to be heard on 12 June 2017.

k. On 24 April 2013 the Company was notified of the existence of a research conducted by the Competition Board of Romania in relation to the contract signed in 2003 with Compania Nationala Loteria Romana regarding the Videolotto program. The Competition Board of Romania imposed a fine to the Company amounting to 5.541.874 ROL (€1.217.325) and to the subsidiary LOTROM to 512.469 ROL (€112.569). The Company and its subsidiary LOTROM filed a lawsuit against the respective decision requesting its annulment and the suspension of its execution. The applications for the suspension of validity of the above decision of the Competition Board were rejected and the Company and its subsidiary LOTROM filed appeals; no hearing date has been scheduled yet. Also, an application for the suspension of execution was filed by Intralot, scheduled to be heard on 13th November 2014, date on which the Court decided to suspend the issue of the decision until the competent court decides on the main recourse filed for annulment of the decision of the Competition Board. Against said decision an appeal was filed which has been rejected. Finally, the applications for the annulment of the decision of the Competition Board filed by LOTROM and INTRALOT were accepted by the court and the respective fines were cancelled. Against LOTROM and the respective abovementioned decision, the Competition Board of Romania filed an appeal which has not been yet scheduled for hearing. Until now, no appeal has been served to INTRALOT against the decision which accepted its application for annulment.

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

m. In Poland, as a result of bet making points controls conducted by Custom Service bodies in 6 shops, a gambling law breach was claimed to be made by the "E-Promotion" program of the subsidiary

"Totolotek Totomix SA" and a relevant administrative procedure was initiated which was concluded with the issue of a second instance decision of the Ministry of Finance for revocation of the six relevant licenses; the company filed a recourse against this decision before the Administrative Courts which was rejected and an appeal was filed against the respective decision which is pending. 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 at the first and second instance except one case for which the hearing date before the second instance court is pending. "Totolotek Totomix SA" intends to file further legal means against the above decisions. Since December 2012, new licenses have already been issued by virtue of which the subsidiary "Totolotek Totomix SA" operates and, therefore, the abovementioned cases will not affect its activities. Following the abovementioned decisions of the Ministry of Finance regarding the revocation of the licenses, a fine amounting to 480.000 Euro was imposed to the company. The company filed a recourse against this decision and the court issued, on 13 May 2015, its decision vindicating "Totolotek Totomix SA" and cancelled the fine, while the respective appeal filed was rejected by the Warsaw Supreme Court rendering final the decision of the court which cancelled the fine.

n. In Italy, the company Tike Games S.r.l. filed a lawsuit before the civil courts of Rome requesting a compensation in the amount of 378.400 Euro in relation to a contract signed with Intralot Italia S.p.A. which now belongs to the group of Gamenet SpA where Intralot group has 20% participation. Intralot Italia S.p.A. had terminated the above contract due to material breach of an exclusivity undertaking provision when Intralot Italia SpA realized that the plaintiff had installed in its point of sale gaming machines (AWPs and VLTs) of a third party-concessionaire which was not approved by Intralot Italia S.p.A. The plaintiff claims that Intralot Italia S.p.A. is responsible for the compensation since it delayed to install the respective gaming machines. Following the hearing of 6th May 2015, the court set the next hearing date for 13 January 2016 when the case was heard and the decision vindicated Intralot Italia S.p.A.. The opinion of the external legal advisors is that the above lawsuit will not finally succeed.

o. 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 holds 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.

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

q. 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.
Moreover, Intralot filed a recourse to the arbitration panel on 13 August 2012 against the same company ODIE requesting the payment of the amount of €9.551.527,34 relating to operational services of integrated system provided but not paid. The arbitration was concluded on 1st March 2013 and the arbitration decision no 27/2013 was issued vindicating Intralot and compelling ODIE to pay to Intralot the total amount requested (€9.551.527,34). In order to secure its claims, Intralot:
a) by virtue of the above arbitration decision, has already recorded on the mortgage books of the Land Registry Office of Kropia a mortgage on a land property of ODIE and specifically on the property where the Horse Racetrack of Athens in Markopoulo Attica is operating, and on the buildings thereupon, for an amount of €11.440.655,35.
b) by virtue of the decision no 2209/2014 of the Athens Single Member Court of First Instance, has already recorded on the mortgage books of the Land Registry Office of Kropia, a note of mortgage on the same real estate of ODIE for an amount of €9.481.486,11.
c) advanced the procedure of compulsory execution against ODIE in order to execute its claims.
Furthermore, on 20 March 2014, Intralot filed before the Athens Multi-member Court of First Instance a lawsuit against ODIE requesting the payment of the amount of €8.043.568,69 which is owed to it pursuant to the "Agreement of Maintenance and Operation of the System of the Mutual Betting on Horse Races of ODIE" dated 6 March 2012. The hearing date was 17th February 2016 but on that date the hearing was postponed for 4 October 2017 due to lawyers' strike.
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.

r. In Italy, the company Stanley International Betting Ltd filed a recourse before the administrative courts of Lazio against the State Autonomous Administrative Monopolies (AAMS) and eventually against all companies to which licenses for conducting betting activities have been granted, including Intralot Italia SpA, (which now belongs to the group of Gamenet SpA where Intralot group has 20% participation) requesting the annulment of the legislative decree of 2012 which provided for the granting of licenses for betting activities for three years, the annulment of the tenders conducted in 1999 and 2006 and the betting licenses granted pursuant to them for twelve and nine years respectively.
The hearing of the case was made on 5 February 2014 and the court decided to suspend the issue of the decision until the European Court of Justice responds on some preliminary queries which have been set by the court of second instance relating to a recourse of Stanley International Betting Ltd against AAMS

and the companies SNAI S.p.A. and Intralot Italia S.p.A. which was rejected at the first instance and was related, among others, to the legality of the participation of Stanley International Betting Ltd to the tenders of 1999 and 2006. The second instance court (Consiglio di Stato) rejected the appeal of Stanley International Betting Ltd following a decision of the European Court which was negative for Stanley International Betting Ltd, while a second recourse of the other party is pending before the court of first instance.

s. In Italy, pursuant to a law passed in December 2014, a decision was issued by the Italian Autonomous Administration of State Monopolies (AAMS) on 15th January 2015, according to which, all companies that operate gaming machines are required to pay to the Italian Autonomous Administration of State Monopolies (AAMS) the amount of 1,2K Euro per gaming machine which was in operation on 31st December 2014. The total balance due by all the industry companies is €500 million. The amount corresponding to Intralot Gaming Machines S.p.A. (which now belongs to the group of Gamenet SpA where Intralot group has 20% participation), is approximately €13 million. Intralot Gaming Machines S.p.A., together with all the industry companies, have appealed to the competent administrative court against both the abovementioned law and the decision of AAMS, requesting the annulment thereof for being unconstitutional as well as the suspension of the execution of the law and of AAMS's decision. The request for the suspension of execution was rejected by the competent court on 1st April 2015. The case regarding the constitutionality was heard on 1st July 2015 and the decision issued requested from the parties to submit additional information. Following a new hearing on 21 October 2015, the court, on 17 November 2015, decided to suspend the issue of the decision and to refer the case before the Constitutional Court. No hearing date before the Constitutional Court has been scheduled. Intralot Gaming Machines S.p.A. has exercised the right conferred by Law to recharge almost all of that tax to the sales network.

t. 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. The Legal Department of the Company considers that, following the hearing of the case, the above-mentioned lawsuit would not be successful.

u. In Poland a lawsuit was filed against the subsidiary "Totolotek Totomix SA" by a player of betting games; he claims that the amount of 861.895PLN (€203.926) which was not paid by the abovementioned subsidiary because of violation of the betting regulations by the plaintiff, is due to him. "Totolotek Totomix SA" has requested the case to be heard before the Warsaw courts (instead of the courts of the town Torun) and this application was accepted, however the plaintiff has filed a recourse requesting that the case to be heard before the courts of Torun which was rejected by the court and the case will be heard by the Warsaw courts.

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

Until 24/05/2017, 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
INTRALOT S.A.	2012-2016
BETTING COMPANY S.A.	2007-2010 & 2012-2016
BETTING CYPRUS LTD	2011-2016
INTRALOT IBERIA HOLDINGS SA	2012-2016
INTRALOT JAMAICA LTD	2010-2016
INTRALOT TURKEY A.S.	2012-2016
INTRALOT DE MEXICO LTD	2006-2016
INTRALOT CHILE SPA	2016
INTELTEK INTERNET AS	2012-2016
AZERINTELTEK AS	-
POLDIN LTD	2011-2016
ATROPOS S.A.	2010-2016
INTRALOT SERVICES S.A.	2015-2016
INTRALOT ADRIATIC DOO	2015-2016
BILYONER INTERAKTIF HIZMELTER AS GROUP	2012 & 2014-2016
INTRALOT MAROC S.A.	2016
GAMING SOLUTIONS INTERNATIONAL LTDA	2011-2016
INTRALOT INTERACTIVE S.A.	2012 & 2016
INTRALOT GLOBAL SECURITIES B.V.	2013-2016
INTRALOT FINANCE LUXEMBOURG S.A.	2013-2016
INTRALOT CAPITAL LUXEMBOURG S.A.	2014-2016
INTRALOT GLOBAL HOLDINGS B.V.	2013-2016
INTRALOT INC	2011 & 2013-2016
DC09 LLC	2011-2016
INTRALOT AUSTRALIA PTY LTD	2012-2016
INTRALOT GAMING SERVICES PTY	2012-2016
ILOT CAPITAL UK LTD	2015-2016
ILOT INVESTMENT UK LTD	2015-2016
INTRALOT NEDERLAND B.V.	2010-2016
LOTROM S.A.	2011-2016
INTRALOT BEIJING Co LTD	2007-2016
TECNO ACCION S.A.	2012-2016
TECNO ACCION SALTA S.A.	2015-2016
MALTCO LOTTERIES LTD	2004-2016
INTRALOT NEW ZEALAND LTD	2011-2013
INTRALOT DO BRAZIL LTDA	2012-2016
INTRALOT MINAS GERAIS LTDA [1]	2012
OLTP LTDA	2012-2016
INTRALOT GERMANY GMBH	2012-2016
INTRALOT SOUTH KOREA S.A.	2007-2016
INTRALOT FINANCE UK LTD	2015-2016
INTRALOT ASIA PACIFIC LTD	2016
WHITE EAGLE INVESTMENTS LTD	2015-2016
BETA RIAL Sp.Zoo	2011-2016
POLLOT Sp.Zoo	2011-2014 & 2016
TOTOLOTEK S.A.	2011-2016

COMPANY	YEARS
INTRALOT SLOVAKIA SPOL. S.R.O.	2014-2016
SLOVENSKE LOTERIE A.S.	2012-2016
TORSYS S.R.O. [2]	2012-2013
TACTUS S.R.O. [2]	2012-2014
NIKANTRO HOLDINGS Co LTD	2011-2016
LOTERIA MOLDOVEI S.A.	2014-2016
INTRALOT BETTING OPERATIONS (CYPRUS) LTD	2011-2016
ROYAL HIGHGATE LTD	2008-2016
INTRALOT LEASING NEDERLAND B.V.	2013-2016
INTRALOT IRELAND LTD	2014-2016
BILOT INVESTMENT LTD	2016
EUROBET LTD	2013-2016
EUROBET TRADING LTD	2013-2016
ICS S.A.	2012-2016
TECNO ACCION URUGUAY S.A. (Pilmery Corporation S.A.)	2016
INTRALOT GLOBAL OPERATIONS B.V.	2016
GAMEWAY LTD	2016
INTRALOT ITALIAN INVESTMENTS B.V.	-
INTRALOT CYPRUS GLOBAL ASSETS LTD	2012-2016
INTRALOT OOO	2014-2016
INTRALOT ST. LUCIA LTD	2011-2016
INTRALOT GUATEMALA S.A.	2009-2016
LOTERIAS Y APUESTAS DE GUATEMALA S.A.	2009-2016
INTRALOT DOMINICANA S.A.	2009-2016
INTRALOT LATIN AMERICA INC	2008-2016
CARIBBEAN VLT SERVICES LTD	2012-2016
INTRALOT CARIBBEAN VENTURES LTD	2011-2016
SUPREME VENTURES LTD	2009-2016
INTRALOT HOLDINGS INTERNATIONAL LTD	2012-2016
INTRALOT INTERNATIONAL LTD	2010-2016
INTRALOT OPERATIONS LTD	2011-2016
NETMAN SRL	2011-2016
BILOT EOOD	2012-2016
EUROFOOTBALL LTD	2012-2016
EUROFOOTBALL PRINT LTD	2012-2016
INTRALOT TECHNOLOGIES LTD	2011-2016
INTRALOT LOTTERIES LTD	2011-2016
INTRALOT BUSINESS DEVELOPMENT LTD	2011-2016
GAMING SOLUTIONS INTERNATIONAL SAC	2012-2016
NAFIROL S.A.	-
LEBANESE GAMES S.A.L	-
INTRALOT HONG KONG HOLDINGS LTD	2015-2016
ENTERGAMING LTD	-
INTRALOT BETTING OPERATIONS RUSSIA LTD	2011-2016
FAVORIT BOOKMAKERS OFFICE OOO	2014-2016

[1] The subsidiary company Intralot Minas Gerais Ltda has merged with Intralot Do Brazil Ltda
[2] The subsidiary companies Torsys SRO and Tactus SRO have merged with Slovenske Loterie AS

The tax audits were completed in AzerInteltek AS for the period 2012-2016, in Bilyoner Interaktif Hiizmelter AS Group for the year 2013 and in Intralot Inc for the year 2015 in respect to sales taxes in the Ohio State, resulting in a charge of € 76 thousand, which was paid to the tax authorities. In Lotrom S.A. the audit initiated by the local tax authorities with respect to financial activities for transactions subject to VAT for the period 2004-2014 was completed in the fourth quarter of 2016. So far the conclusion report has not been yet notified to the company. Tax audits are in progress in Royal Highgate LTD for the period 2008-2012, in Intralot Jamaica LTD for the period 2010-2012, in Bilyoner Interaktif Hiizmelter AS for the year 2014, in Tecno Accion S.A., for the period 2014-2015, in Supreme Ventures Ltd (regarding VAT) for the period 2010-2013. Under the L.2238/94 Art. 82 par.5 of POL.1159/2011, the companies Betting Company S.A. and Intralot Interactive S.A. received a tax certificate for the years 2011-2015, the company Intralot S.A. for the years 2014-2015 and the company Intralot Services S.A. for the year 2015. For the abovementioned Greek S.A.'s is in progress the issuance of tax certificate for the year 2016. Also 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 will file 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. A partial reaudit was contacted for the years 2007 & 2008 without incurring any tax liability for the Company. Also there is an ongoing tax audit for the year 2012.

II) ASSOCIATE COMPANIES & JOINT VENTURES

COMPANY	PERIODS
LOTRICH INFORMATION Co LTD	2016
INTRALOT SOUTH AFRICA LTD	2016
GOREWARD LTD	-
GOREWARD INVESTMENTS LTD	-
PRECIOUS SUCCESS LTD GROUP	2013-2016
GAIN ADVANCE GROUP LTD	-
OASIS RICH INTERNATIONAL LTD	-
WUSHENG COMPUTER TECHNOLOGY (SHANGHAI) CO LTD	2016
BIT8 LTD	2016
SWITCH IT NV	-
FUTURE PLATFORMS LTD	2016
UNICLIC LTD	2004-2016
DOWA LTD	2004-2016
GAMENET GROUP S.p.A.	2016
GAMENET S.p.A.	2011-2016
INTRALOT HOLDING & SERVICES S.p.A.	2011-2016

COMPANY	PERIODS
INTRALOT GAMING MACHINES S.p.A.	2012-2016
INTRALOT ITALIA S.p.A	2011-2016
VENETA SERVIZI S.R.L.	2011-2016
GAMENET ENTERTAINMENT S.R.L.	2011-2016
GAMECITY S.R.L.	2011-2016
GAMENET SCOMMESSE S.p.A.	2011-2016
GAMENET RENTING S.R.L.	2011-2016
TOPPLAY S.R.L.	2011-2016
GNETWORK S.R.L.	2011-2016
VERVE S.p.A.	2011-2016
BILLIONS ITALIA S.R.L.	2011-2016
JOLLY VIDEOGIOCHI S.R.L.	2011-2016
NEW MATIC S.R.L.	2011-2016
AGESOFT S.R.L.	2011-2016
INTRALOT DE PERU S.A.C.	2015-2016
SERVICIOS TRANSDATA S.A. [1]	2010-2013

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

There is a tax audit in progress in Gamenet Entertainment Srl for the year 2014 and in New Matic Srl for the year 2011. Also the tax audits for the year 2015 were completed in Lotrich Information Co Ltd and Intralot South Africa Ltd without incurring any tax burden. In Servicios Transdata S.A the tax audit for income tax was completed in 2014, for the year 2008 and VAT for the period 1/1/2008-30/6/2009 imposing additional taxes and fines 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) Operating lease payment commitments:

On 31 March 2017 within the Group there have been various operating lease agreements relating to rental of buildings and motor vehicles. Rental costs have been included in the income statement for the period ended on March 31, 2017. Future minimum lease payments of non-cancelable lease contracts as at March 31, 2017 are as follows:

	GROUP		COMPANY	
	31/3/2017	31/12/2016	31/3/2017	31/12/2016
Within 1 year	7.971	8.084	833	883
Between 2 and 5 years	7.648	9.840	1.525	1.607
Over 5 years	1.005	1.156	797	870
Total	**16.624**	**19.080**	**3.155**	**3.360**

(ii) Guarantees:

The Company and the Group on March 31, 2017 had the following contingent liabilities from guarantees for:

	GROUP		COMPANY	
	31/3/2017	31/12/2016	31/3/2017	31/12/2016
Bid	0	1.423	0	0
Performance	212.492	209.743	55.322	55.119
Financing	35.343	33.889	32.232	33.216
Total	**247.835**	**245.055**	**87.554**	**88.335**

	GROUP	
	31/3/2017	31/12/2016
Guarantees issued by the parent and subsidiaries:		
- third party	233.560	230.780
- third party on behalf of affiliates	14.275	14.275
Total	**247.835**	**245.055**

	COMPANY	
	31/3/2017	31/12/2016
Guarantees issued by the parent:		
- third party on behalf of subsidiaries	70.087	70.622
- third party on behalf of affiliates	14.276	14.276
- third party on behalf of the parent	3.191	3.437
Total	**87.554**	**88.335**

(iii) Financial lease payment commitments:

GROUP	Minimum of the lease payments 31/3/2017	Present value of the minimum lease payments 31/3/2017	Minimum of the lease payments 31/12/2016	Present value of the minimum lease payments 31/12/2016
Within one year	1.132	1.083	1.534	1.460
After one year but not more than five years	611	593	709	684
After more than five years	0	0	0	0
Minus: Interest	-67	0	-99	0
Total	**1.676**	**1.676**	**2.144**	**2.144**

The Company has no obligations under finance leases.

2.22 COMPARABLE FIGURES

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

2.23 SUBSEQUENT EVENTS

In May 2017, INTRALOT Group announced the appointment of John R. Donahue as CEO of its USA venture INTRALOT Inc. Mr. Donahue has 30 years of lottery and gaming experience in the global market. His strengths combine strategic vision with product development, technology delivery, as well as operational and sales execution. Before coming to INTRALOT he worked for 10 years as Managing Director of the International Systems Division at Scientific Games and previously as International Sales Director and Northern Europe Sales and Operations Vice President for IGT (GTECH Dreamport) and CEO of SIRIUS Gaming LLC.

Maroussi, 24 May 2017

THE CHAIRMAN OF THE BOARD OF DIRECTORS	**THE GROUP CEO**
S.P. KOKKALIS **ID. No. AI 091040**	**A.I. KERASTARIS** **ID. No. AI 682788**
THE GROUP CFO	**THE GROUP ACCOUNTING DIRECTOR**
G. SP. KOLIASTASIS **ID No. Σ 699882**	**N. G.PAVLAKIS** **ID.No. AZ 012557** **H.E.C. License** **No. 15230/ A' Class**

3. Figures and Information for the period 1 January 2017 until 31 March 2017

INTRALOT S.A.

INTEGRATED LOTTERY SYSTEMS AND SERVICES
Company's Number in the General Electronic Commercial Registry: 818201000 - (Public Companies (S.A.) Reg. No.: 27074/06/B/92/9)
Company Domicile: 64 Kifissias Av. & 3 Premetis Str., Maroussi 15125
Figures and information for the period from 1st January 2017 to 31st March 2017

Amounts in €'000

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

Financial Statements approval date:
May 24, 2017

Web site:
www.intralot.com

STATEMENT OF FINANCIAL POSITION GROUP / COMPANY

	GROUP		COMPANY	
	31/3/2017	31/12/2016	31/3/2017	31/12/2016
ASSETS				
Tangible Assets	120.710	126.962	15.237	15.391
Investment Property	5.902	6.038	0	0
Intangible Assets	336.698	329.582	89.794	90.044
Other Non-Current Assets	230.537	231.874	154.368	157.367
Inventories	32.221	32.250	19.310	18.888
Trade Receivables	82.358	84.792	46.142	55.007
Other Current Assets	247.980	249.588	103.453	93.359
TOTAL ASSETS	**1.056.406**	**1.061.086**	**428.304**	**430.056**
EQUITY AND LIABILITIES				
Share Capital	47.689	47.689	47.689	47.689
Other Equity Elements	69.284	79.853	53.788	49.119
Shareholders Equity (a)	**116.973**	**127.542**	**101.477**	**96.808**
Non-Controlling Interest (b)	54.610	68.944	0	0
Total Shareholders Equity (c)=(a)+(b)	**171.583**	**196.486**	**101.477**	**96.808**
Long-term Debt	657.611	644.576	236.364	237.348
Provisions / Other Long term Liabilities	48.755	49.580	19.925	20.032
Short-term Debt	11.879	14.733	0	0
Other Short-term Liabilities	166.578	155.711	70.538	75.868
Total Liabilities (d)	**884.823**	**864.600**	**326.827**	**333.248**
TOTAL EQUITY AND LIABILITIES (c)+(d)	**1.056.406**	**1.061.086**	**428.304**	**430.056**

STATEMENT OF CHANGES IN EQUITY GROUP / COMPANY

	GROUP		COMPANY	
	31/3/2017	31/3/2016	31/3/2017	31/3/2016
Net equity at the beginning of the period (1/1/2017 and 1/1/2016 respectively)	**196.486**	**207.382**	**96.808**	**100.258**
Effect on retained earnings from previous years adjustments	-109	120	0	0
Total comprehensive income / (expenses) for the year after tax (continuing and discontinued operations)	552	-11.467	4.675	177
Dividends to equity holders of parent / non-controlling interest	-25.340	-13.354	0	0
Repurchase of treasury shares	-6	0	-6	0
Subsidiary share capital return	0	-3.388	0	0
Net Equity of the period Closing Balance (31/03/2017 and 31/03/2016 respectively)	**171.583**	**179.293**	**101.477**	**100.435**

INCOME STATEMENT GROUP / COMPANY

	GROUP		COMPANY	
	1/1-31/3/2017	1/1-31/3/2016	1/1-31/3/2017	1/1-31/3/2016
Sale Proceeds	367.896	304.982	14.136	13.853
Less: Cost of Sales	-304.714	-246.039	-8.868	-10.699
Gross Profit / (Loss)	**63.182**	**58.943**	**5.268**	**3.154**
Other Operating Income	4.197	6.270	46	5.002
Selling Expenses	-14.240	-13.455	-2.775	-3.052
Administrative Expenses	-21.890	-21.016	-3.106	-3.270
Research and Development Expenses	-1.656	-1.833	-1.656	-1.815
Other Operating Expenses	-267	-685	-2	-61
EBIT	**29.326**	**28.224**	**-2.225**	**-42**
Income/(expenses) from participations and investments	537	1.068	11.897	4.641
Gain/(loss) from assets disposal, impairment loss and write-off of assets	-147	-104	-6	5
Interest and similar expenses	-13.085	-17.363	-4.236	-4.873
Interest and related income	1.826	3.190	734	764
Exchange differences	804	-3.559	-203	-447
Profit / (Loss) from equity method consolidations	-1.174	-919	0	0
Profit / (Loss) before tax from continuing operations	**18.087**	**10.537**	**5.961**	**48**
Tax	-10.783	-8.922	-1.133	175
Net Profit / (Loss) after tax from continuing operations	**7.304**	**1.615**	**4.828**	**223**
Net Profit / (Loss) after tax from discontinued operations	-164	-2.470	0	0
Net Profit / (Loss) after tax (continuing and discontinued operations) (A)	**7.140**	**-855**	**4.828**	**223**
Attributable to:				
- Equity holders of parent	-5.471	-12.012	4.828	223
- Non-Controlling Interest	12.611	11.157	0	0
Other comprehensive income / (expenses), after tax (B)	**-6.588**	**-10.612**	**-153**	**-46**
Total comprehensive income / (expenses) after tax (A) + (B)	**552**	**-11.467**	**4.675**	**177**
Attributable to:				
- Equity holders of parent	-10.473	-19.539	4.675	177
- Non-Controlling Interest	11.025	8.072	0	0
Earnings / (loss) after tax per share (in euro)				
- Basic	-0,0348	-0,0758	0,0307	0,0014
- Diluted	-0,0348	-0,0758	0,0307	0,0014
EBITDA	**46.535**	**44.568**	**890**	**2.621**
Proposed dividend per share (in €)	0,00	0,00	0,00	0,00

CASH FLOW STATEMENT GROUP / COMPANY (total operations)

	GROUP		COMPANY	
	1/1-31/3/2017	1/1-31/3/2016	1/1-31/3/2017	1/1-31/3/2016
Operating Activities				
Profit/(loss) before Taxation (continuing operations)	18.087	10.537	5.961	48
Profit/(loss) before Taxation (discontinued operations)	-164	-2.022	0	0
Plus/Less adjustments for:				
Depreciation and Amortization	17.216	24.709	3.115	2.663
Provisions	529	1.190	88	-4.870
Results(income, expenses, gain and loss)from Investing Activities	-202	3.220	-11.688	-4.199 0
Interest and similar expenses	13.091	17.534	4.236	4.873
Interest and similar income	-1.826	-3.312	-734	-764
Plus/Less adjustments of working capital to net cash or related to operating activities:				
Decrease/(increase) of Inventories	-217	1.915	-421	326
Decrease/(increase) of Receivable Accounts	1.679	-6.670	9.119	3.325
(Decrease)/increase of Payable Accounts (except	-2.400	1.884	-6.684	-3.835
Less:				
Income Tax Paid	6.646	7.793	0	0
Total inflows / (outflows) from Operating Activities (a)	**39.147**	**41.192**	**2.992**	**-2.433**
Investing Activities				
(Purchases)/Sales of subsidiaries, associates, joint ventures and other investments	-3.108	-1.001	0	-1
Purchases of tangible and intangible assets	-24.709	-11.245	-3.244	-708
Proceeds from sales of tangible and intangible assets	95	97	40	7
Interest received	1.443	1.769	0	1.514
Dividends received	0	0	10.100	3.945
Total inflows / (outflows) from Investing Activities (b)	**-26.279**	**-10.380**	**6.896**	**4.757**
Financing Activities				
Repurchase of treasury shares	-6	0	-6	0
Cash inflows from loans	31.457	10.464	0	0
Repayment of loans	-21.857	-22.315	-4.500	-5.000
Repayment of finance lease obligations	-468	-2.848	0	0
Interest and similar expenses paid	-12.977	-18.876	257	-1.699
Dividends paid	-10.787	-9.378	0	0
Total inflows/(outflows)from Financing Activities (c)	**-14.638**	**-42.953**	**-4.249**	**-6.699**
Net increase/(decrease) in cash and cash equivalents for the period (a)+(b)+(c)	**-1.770**	**-12.141**	**5.639**	**-4.375**
Cash and cash equivalents at the beginning of the period	**164.401**	**276.609**	**20.356**	**35.859**
Net foreign exchange difference	-2.084	-1.705	-236	2.015
Cash and cash equivalents at the end of the period	**160.547**	**262.763**	**25.759**	**33.499**

SUPPLEMENTARY INFORMATION

1. The same accounting policies have been followed as the year-end consolidated financial statements 31/12/2016 except for the changes resulting from the adoption of new or revised accounting standards and interpretations as mentioned in note 2.1.4 of the interim financial statements.

2. The companies included in the consolidation of 31/03/2017 and not in the consolidation of 31/03/2016 due to subsequent acquisition/establishment are the following: Intralot Italian Investments B.V., Bilot Investment Ltd, Eurobet Ltd, Eurobet Trading Ltd, ICS S.A., Intralot Chile S.p.A., Tecno Accion Uruguay S.A., Gameway Ltd και Intralot Global Operations B.V. (subsidiaries), as well as Gamenet Group S.p.A., Gamenet S.p.A., Gamenet Entertainment S.r.l., Gamecity S.r.l., Gamenet Scommesse S.p.A., Gamenet Renting S.r.l., Topplay S.r.l., Verve S.p.A., Gnetwork S.r.l., Billions Italia S.r.l., Jolly Videogiochi S.r.l., New Matic S.r.l., Agesoft S.r.l., Future Platforms Ltd and Goreward Investments Ltd (associates) (note 2.20 of interim financial statements). The entities Atropos S.A., Nafirol S.A., Intralot Dominicana S.A., Gaming Solutions International Ltda and Gain Advance Group LTD are in the process of liquidation. During 2016, the Group completed the liquidation and strike off of the associate Ktems Holdings Co LTD (March 2016), and the subsidiaries Intralot Distribution OOO (September 2016) and Intralot Investments Ltd (November 2016). In January 2017 the Group completed the liquidation and strike off of subsidiary Intralot Argentina S.A.. The Group sold all the shares it held in subsidiary Intralot Suriname Ltd (September 2016).

3. The Group's activities in Italy are presented as discontinued operations for the period 1/1-31/3/2016 after the completion of the agreement (27/6/2016) with Trilantic Capital Partners Europe, the main shareholder of Gamenet S.p.A in Italy, for the merge of the Italian activities of the INTRALOT Group (subsidiary companies Intralot Holding & Services S.p.A., Intralot Gaming Machines S.p.A., Intralot Italia S.p.A. and Veneta Servizi Srl) into those of Gamenet (note 2.20 of the interim financial statements). Since the end of June 2016, the Group consolidates 20% of the combined activity (Gamenet Group SpA) with the equity method.

4. The Group's activities in Peru (Intralot de Peru S.A.C.) are presented as discontinued operations for the period 1/1-31/3/2016 after the completion of the agreement (24/11/2016) with Nexus Group to sell 80% of Intralot de Peru S.A.C. (note 2.20 of the interim financial statements). Since the end of November 2016, the Group consolidates 20% of the combined activity of Intralot de Peru S.A.C. with the equity method.

5. The Group's activities in Russia regarding the betting services provided through its subsidiary Favorit Bookmakers Office OOO are presented as discontinued operations for the periods 1/1-31/3/2016 and 1/1-31/3/2017 (according to IFRS 5, par.13), after the Group's definite decision on December 2016 to discontinued its activities (note 2.20 of the interim financial statements).

6. The Group's provisions at 31/03/2017 that refer to legal issues amount to €5,2 million, those referring to unaudited tax periods and tax audit expenses amount to €9,3 million and €4,9 million refer to other provisions. The respective amounts for the Company amount to €5,2 million (legal issues), €8,9 million (provisions for unaudited tax years and tax audit expenses) and €0,1 million (other provisions) (note 2.20.C & 2.21 of interim financial statements).

7. The number of employees of the Group on 31/03/2017 amounted to 5.163 persons (3.351 Company/subsidiaries and associates 1.812) and the Company's 710 persons. At the end of 2016 the number of employees of the Group were 5.293 persons (Company/subsidiaries 3.449 and associates 1.844) and the Company's 689 persons.

8. Companies that are included in 31/03/2017 consolidated financial statements are presented in note 2.20.A.I & II of the interim financial statements including locations, group percentage ownership and consolidation method.

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

10. The amounts of other comprehensive expense/income included directly in the Group's comprehensive income statement as at 31/03/2017 of €-6,6 million (2016: €-10,6 million) concern: foreign exchange differences of €-6,3 million (2016 : €-9,4 million), derivative valuation of €113 k (2016: €-50 k), €-435 million (2016: €-1,1 million), concerns the valuation of available for sale financial assets, while ending amount €20 k (2016: €-100 k), concerns defined benefit plans revaluation. Accordingly, the amounts of expense/income recorded in the comprehensive income statement as at 31/03/2017 for the Company, amounted to €-153 k (2016: €-46 k) refer to revaluation of available for sale financial assets, amounted to €-266 k (2016 €4 k) & €113 k (2015:€-50 k) concerns valuation of derivative.

11. On 31/03/2017 the Company held 1.588.169 treasury shares with a total acquisition cost of €1.715 k (note 2.15 of the interim financial statements).

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

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

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

	GROUP	COMPANY
a) Income		
-from subsidiaries	0	18.938
-from associates	972	826
-from other related parties	1.575	1.340
b) Expenses		
-to subsidiaries	0	4.916
-to associates	-104	-103
-to other related parties	1.433	1.055
BoD and Key Management Personnel transactions &	2.485	1.161
c) Receivables		
-from subsidiaries	0	71.432
-from associates	10.314	5.610
-from other related parties	14.137	9.719
d) Payables		
-to subsidiaries	0	258.862
-to associates	259	8
-to other related parties	40.578	17.518
BoD and Key Management Personnel receivables	0	0
BoD and Key Management Personnel payables	69	0

Maroussi, May 24, 2017

THE CHAIRMAN OF THE BOARD OF DIRECTORS	**THE GROUP CHIEF EXECUTIVE OFFICER**
S. P. KOKKALIS **ID. No. AI 091040**	**A. I. KERASTARIS** **ID. No. AI 682788**
THE GROUP CHIEF FINANCIAL OFFICER	**THE GROUP ACCOUNTING DIRECTOR**
G. SP. KOLIASTASIS **ID. No. Σ 699882**	**N.G. PAVLAKIS** **ID. No. AZ 012557** **H.E.C. License** **No. 15230/A' Class**