INTRALOT Group

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

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INTERIM FINANCIAL STATEMENTS
INCOME STATEMENT GROUP / COMPANY FOR THE NINE MONTHS OF 2018

Amounts reported in thousand €	Note	GROUP		COMPANY	
		1/1-30/9/2018	1/1-30/9/2017	1/1-30/9/2018	1/1-30/9/2017
Sale Proceeds	2.2	798.645	794.726	41.903	43.103
Less: Cost of Sales		-636.442	-631.382	-27.936	-28.435
Gross Profit /(loss)		**162.203**	**163.344**	**13.967**	**14.668**
Other Operating Income	2.3	11.250	13.001	122	1.603
Selling Expenses		-43.899	-40.680	-6.461	-7.444
Administrative Expenses		-55.541	-55.297	-9.826	-10.307
Research and Development Expenses		-3.566	-4.865	-3.566	-4.865
Other Operating Expenses	2.7	-3.591	-2.141	-1.443	-1.550
EBIT	2.1.5	**66.856**	**73.362**	**-7.207**	**-7.895**
EBITDA	2.1.5	**114.917**	**123.029**	**2.947**	**3.148**
Income/(expenses) from participations and investments	2.5	2.570	1.017	10.444	13.083
Gain/(loss) from assets disposal, impairment loss and write-off of assets	2.6	-246	-908	0	-6
Interest and similar expenses	2.8	-38.228	-43.937	-12.408	-12.847
Interest and similar income	2.8	6.683	4.797	3.579	2.469
Foreign exchange differences	2.9	10.167	-5.976	-298	-741
Profit / (loss) from equity method consolidations		-1.520	-3.358	0	0
Gain/(loss) on net monetary position		48	0	0	0
Operating Profit/(loss) before tax from continuing operations		**46.330**	**24.997**	**-5.890**	**-5.937**
Tax	2.4	-24.396	-19.800	-414	4.609
Profit / (loss) after tax from continuing operations (a)		**21.934**	**5.197**	**-6.304**	**-1.328**
Profit / (loss) after tax from discontinued operations (b) [1]	2.20	0	-2.412	0	0
Profit / (loss) after tax (continuing and discontinued operations) (a)+(b)		**21.934**	**2.785**	**-6.304**	**-1.328**
Attributable to:					
Equity holders of parent					
-Profit/(loss) from continuing operations		-10.992	-22.709	-6.304	-1.328
-Profit/(loss) from discontinued operations [1]	2.20	0	-9.299	0	0
		-10.992	**-32.008**	**-6.304**	**-1.328**
Non-Controlling Interest					
-Profit/(loss) from continuing operations		32.926	27.906	0	0
-Profit/(loss) from discontinued operations [1]	2.20	0	6.887	0	0
		32.926	**34.793**	**0**	**0**
Earnings/(loss) after tax per share (in €) from total operations					
-basic	2.20	-0,0714	-0,2034	-0,0410	-0,0084
-diluted	2.20	-0,0714	-0,2034	-0,0410	-0,0084
Weighted Average number of shares		153.852.870	157.373.690	153.852.870	157.373.690

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

STATEMENT OF COMPREHENSIVE INCOME GROUP/COMPANY FOR THE NINE MONTHS OF 2018
INCOME STATEMENT GROUP / COMPANY FOR THE THIRD QUARTER OF 2018

Amounts reported in thousand €	Note	GROUP		COMPANY	
		1/7-30/9/2018	1/7-30/9/2017	1/7-30/9/2018	1/7-30/9/2017
Sale Proceeds		251.027	260.025	12.490	16.077
Less: Cost of Sales		-205.319	-205.077	-9.551	-11.329
Gross Profit /(loss)		**45.708**	**54.948**	**2.939**	**4.748**
Other Operating Income		3.910	4.205	36	1.486
Selling Expenses		-12.073	-12.575	-2.195	-2.138
Administrative Expenses		-18.162	-17.999	-3.318	-3.467
Research and Development Expenses		-699	-2.139	-699	-2.139
Other Operating Expenses		-98	-346	-50	-10
EBIT		**18.586**	**26.094**	**-3.287**	**-1.520**
EBITDA		**34.837**	**40.935**	**-98**	**1.743**
Income/(expenses) from participations and investments		-163	35	1.238	1.626
Gain/(loss) from assets disposal, impairment loss and write-off of assets		-74	11	0	0
Interest and similar expenses		-12.805	-17.047	-4.417	-4.134
Interest and similar income		3.246	1.476	1.757	864
Foreign exchange differences		6.564	-1.739	85	-256
Profit / (loss) from equity method consolidations		-1.522	-1.346	0	0
Gain/(loss) on net monetary position		48	0	0	0
Operating Profit/(loss) before tax from continuing operations		**13.880**	**7.484**	**-4.624**	**-3.420**
Tax		-8.847	-4.727	-275	2.066
Profit / (loss) after tax from continuing operations (a)		**5.033**	**2.757**	**-4.899**	**-1.354**
Profit / (loss) after tax from discontinued operations (b) [1]		0	2.987	0	0
Profit / (loss) after tax (continuing and discontinued operations) (a)+(b)		**5.033**	**5.744**	**-4.899**	**-1.354**
Attributable to:					
Equity holders of parent					
-Profit/(loss) from continuing operations		-7.909	-7.158	-4.899	-1.354
-Profit/(loss) from discontinued operations [1]		0	951	0	0
		-7.909	**-6.207**	**-4.899**	**-1.354**
Non-Controlling Interest					
-Profit/(loss) from continuing operations		12.942	9.915	0	0
-Profit/(loss) from discontinued operations [1]		0	2.036	0	0
		12.942	**11.951**	**0**	**0**
Earnings/(loss) after tax per share (in €) from total operations					
-basic		-0,0514	-0,0394	-0,0318	-0,0086
-diluted		-0,0514	-0,0394	-0,0318	-0,0086
Weighted Average number of shares		153.852.870	157.373.690	153.852.870	157.373.690

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

(Slovakia) are presented as discontinued operations pursuant to IFRS 5 (note 2.20.A.VIII)

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

Amounts reported in thousand €	Note	GROUP		COMPANY	
		1/7-30/9/2018	1/7-30/9/2017	1/7-30/9/2018	1/7-30/9/2017
Net Profit / (loss) after tax (continuing and discontinued operations) (a)+(b)		**5.033**	**5.744**	**-4.899**	**-1.354**
Attributable to:					
Equity holders of parent					
-Profit/(loss) from continuing operations		-7.909	-7.158	-4.899	-1.354
-Profit/(loss) from discontinued operations [1]		0	951	0	0
		-7.909	**-6.207**	**-4.899**	**-1.354**
Non-Controlling Interest					
-Profit/(loss) from continuing operations		12.942	9.915	0	0
-Profit/(loss) from discontinued operations [1]		0	2.036	0	0
		12.942	**11.951**	**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		-31	12	0	0
Defined benefit plans revaluation for associates and joint ventures		0	59	0	0
Valuation of assets measured at fair value through other comprehensive income of parent and subsidiaries		-120	-299	40	8
Share of valuation of assets valued at fair value through other comprehensive income of associates and joint ventures		0	140	0	0
Amounts that may be reclassified to profit or loss:					
Derivatives valuation of parent and subsidiaries		-48	-61	-48	-61
Exchange differences on translating foreign operations of subsidiaries		-17.023	-6.782	0	0
Share of exchange differences on translating foreign operations of associates and joint ventures		-2.882	-3.393	0	0
Other comprehensive income/ (expenses) after tax		**-20.104**	**-10.324**	**-8**	**-53**
Total comprehensive income / (expenses) after tax		**-15.071**	**-4.580**	**-4.907**	**-1.407**
Attributable to:					
Equity holders of parent		-23.135	-13.211	-4.907	-1.407
Non-Controlling Interest		8.064	8.631	0	0

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

STATEMENT OF FINANCIAL POSITION GROUP/COMPANY

Amounts reported in thousand €	Note	GROUP 30/9/2018	GROUP 31/12/2017	COMPANY 30/9/2018	COMPANY 31/12/2017
ASSETS					
Tangible assets	2.10	116.227	102.793	15.250	15.794
Investment property	2.10	0	0	0	0
Intangible assets	2.10	319.739	324.508	95.968	93.729
Investment in subsidiaries, associates and joint ventures	2.11	134.483	135.763	141.500	141.500
Other financial assets	2.12	16.169	21.524	1.274	1.243
Deferred Tax asset		4.282	4.749	0	0
Other long term receivables		16.880	16.515	139	142
Total Non-Current Assets		**607.780**	**605.852**	**254.131**	**252.408**
Inventories	2.13	48.817	31.482	16.318	18.839
Trade and other short term receivables	2.19	120.641	145.575	98.904	105.917
Other financial assets	2.12	657	914	0	0
Cash and cash equivalents	2.14	151.372	238.041	13.031	20.434
Total Current Assets		**321.487**	**416.012**	**128.253**	**145.190**
TOTAL ASSETS		**929.267**	**1.021.864**	**382.384**	**397.598**
EQUITY AND LIABILITIES					
Share capital	2.15	47.089	47.689	47.089	47.689
Treasury shares	2.15	-8.528	-2.149	-8.528	-2.149
Other reserves	2.15	59.921	56.738	43.628	43.579
Foreign exchange differences	2.15	-96.760	-76.747	0	0
Retained earnings	2.16	11.947	32.291	-15.492	-4.558
Total equity attributable to shareholders of the parent		**13.669**	**57.822**	**66.697**	**84.561**
Non-Controlling Interest		26.949	31.966	0	0
Total Equity		**40.618**	**89.788**	**66.697**	**84.561**
Long term debt	2.17	743.147	727.988	259.818	232.179
Staff retirement indemnities		4.930	5.451	3.187	3.489
Other long term provisions	2.20	8.083	7.993	7.776	7.612
Deferred Tax liabilities		15.243	15.054	6.066	5.803
Other long term liabilities	2.19	2.429	1.069	297	0
Finance lease obligation	2.21	2.213	1.389	0	0
Total Non-Current Liabilities		**776.045**	**758.944**	**277.144**	**249.083**
Trade and other short term liabilities	2.19	95.148	136.844	38.452	61.910
Short term debt and finance lease	2.17	4.475	19.345	0	0
Current income tax payable		8.094	11.084	0	1.953
Short term provision	2.20	4.887	5.859	91	91
Total Current Liabilities		**112.604**	**173.132**	**38.543**	**63.954**
TOTAL LIABILITIES		**888.649**	**932.076**	**315.687**	**313.037**
TOTAL EQUITY AND LIABILITIES		**929.267**	**1.021.864**	**382.384**	**397.598**

STATEMENT OF CHANGES IN EQUITY GROUP

STATEMENT OF CHANGES IN EQUITY INTRALOT GROUP (Amounts reported in thousand of €)	Share Capital	Treasury Shares	Legal Reserve	Other Reserves	Foreign exchange differences	Retained Earnings	Total	Non-Controlling Interest	Grand Total
Opening Balance 1 January 2018 prior to the application of IFRS 9 & 15 and IAS 29	**47.689**	**-2.149**	**28.201**	**28.537**	**-76.747**	**32.291**	**57.822**	**31.966**	**89.788**
Effect from the application of IFRS 15 [1]						-937	**-937**		**-937**
Effect from the application of IFRS 9 [1]						-5.738	**-5.738**		**-5.738**
Effect from the application of IAS 29 [1]			626			-33	**593**	593	**1.186**
Opening Balance 1 January 2018 after the application of IFRS 9 & 15 and IAS 29	**47.689**	**-2.149**	**28.827**	**28.537**	**-76.747**	**25.583**	**51.740**	**32.559**	**84.299**
Effect on retained earnings from previous years adjustments						-68	**-68**	-13	**-81**
New consolidated associate companies				-10			**-10**		**-10**
Period's results						-10.992	**-10.992**	32.926	**21.934**
Other comprehensive income / (expenses) after tax				2.232	-20.013	-115	**-17.896**	-8.292	**-26.188**
Dividends to equity holders of parent / non-controlling interest							**0**	-31.178	**-31.178**
Effect due to change in participation percentage						-768	**-768**	768	**0**
Repurchase of treasury shares		-8.588					**-8.588**		**-8.588**
Cancelation of treasury shares	-600	2.209				-1.609	**0**		**0**
Associate companies stock options						72	**72**		**72**
Adjustment to net monetary position			179				**179**	179	**358**
Transfer between reserves			156			-156	**0**		**0**
Balances as at 30 September 2018	**47.089**	**-8.528**	**29.162**	**30.759**	**-96.760**	**11.947**	**13.669**	**26.949**	**40.618**

[1] Relates to adjustment of the opening balance from the first application of IFRS 9 and IFRS 15 (note 2.1.4) and IAS 29 (note 2.23)

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						13	**13**	-19	**-6**
Period's results						-32.008	**-32.008**	34.793	**2.785**
Other comprehensive income / (expenses) after tax				-24	-10.436	66	**-10.394**	-9.362	**-19.756**
Dividends to equity holders of parent / non-controlling interest							**0**	-36.707	**-36.707**
Effect due to change in participation percentage						10	**10**	-25	**-15**
Transfer between reserves			663	2		-665	**0**		**0**
Repurchase of treasury shares		-6					**-6**		**-6**
Balances as at 30 September 2017	**47.689**	**-1.715**	**27.739**	**28.938**	**-71.616**	**54.122**	**85.157**	**57.624**	**142.781**

STATEMENT OF CHANGES IN EQUITY COMPANY

STATEMENT OF CHANGES IN EQUITY INTRALOT S.A. (Amounts reported in thousand of €)	Share Capital	Treasury Shares	Legal Reserve	Other Reserves	Retained Earnings	Total
Opening Balance 1 January 2018 prior to the application of IFRS 9 & 15	**47.689**	**-2.149**	**15.896**	**27.683**	**-4.558**	**84.561**
Effect from the application of IFRS 15 [1]					-333	**-333**
Effect from the application of IFRS 9 [1]					-2.688	**-2.688**
Opening Balance 1 January 2018 after the application of IFRS 9 & 15	**47.689**	**-2.149**	**15.896**	**27.683**	**-7.579**	**81.540**
Period's results					-6.304	**-6.304**
Other comprehensive income /(expenses) after tax				49		**49**
Repurchase of treasury shares		-8.588				**-8.588**
Cancelation of treasury shares	-600	2.209			-1.609	**0**
Balances as at 30 September 2018	**47.089**	**-8.528**	**15.896**	**27.732**	**-15.492**	**66.697**

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

STATEMENT OF CHANGES IN EQUITY INTRALOT S.A. (Amounts reported in thousand of €)	Share Capital	Treasury Shares	Legal Reserve	Other Reserves	Retained Earnings	Total
Opening Balance 1 January 2017	**47.689**	**-1.709**	**15.896**	**28.040**	**6.892**	**96.808**
Period's results					-1.328	**-1.328**
Other comprehensive income /(expenses) after tax				-254		**-254**
Repurchase of treasury shares		-6				**-6**
Balances as at 30 September 2017	**47.689**	**-1.715**	**15.896**	**27.786**	**5.564**	**95.220**

CASH FLOW STATEMENT GROUP/COMPANY

Amounts reported in thousand of € (total operations)	Note	GROUP 1/1-30/9/2018	GROUP 1/1-30/9/2017	COMPANY 1/1-30/9/2018	COMPANY 1/1-30/9/2017
Operating activities					
Profit / (loss) before tax from continuing operations		46.330	24.997	-5.890	-5.937
Profit / (loss) before tax from discontinued operations	2.20	0	695	0	0
Profit / (loss) before Taxation		**46.330**	**25.692**	**-5.890**	**-5.937**
Plus / Less adjustments for:					
Depreciation and Amortization		48.061	51.271	10.154	11.043
Provisions	2.6/2.7	1.219	2.605	1.501	156
Results (income, expenses, gain and loss) from Investing Activities	2.5/2.6 2.9/2.11	-11.762	19.890	-10.148	-12.336
Interest and similar expenses	2.8	38.228	44.522	12.408	12.847
Interest and similar Income	2.8	-6.683	-5.296	-3.579	-2.469
(Gain) / loss on net monetary position	2.23	-48	0	0	0
Plus / Less adjustments for changes in working capital:					
Decrease / (increase) of Inventories		-18.513	-3.843	1.104	-756
Decrease / (increase) of Receivable Accounts		11.509	711	750	12.425
(Decrease) / increase of Payable Accounts (except Banks)		-27.340	9.704	-17.561	-4.811
Less: Income Tax Paid		20.709	24.781	0	3.061
Total inflows / (outflows) from operating activities (a)		**60.292**	**120.475**	**-11.261**	**7.101**
Investing Activities					
(Purchases) / Sales of subsidiaries, associates, joint ventures and other investments	2.12/ 2.20	-3.609	6.152	0	14.000
Purchases of tangible and intangible assets	2.10	-65.364	-59.536	-13.445	-10.664
Proceeds from sales of tangible and intangible assets	2.10	372	233	0	40
Interest received		4.089	3.990	666	7
Dividends received		7.555	1.992	9.952	15.109
Total inflows / (outflows) from investing activities (b)		**-56.957**	**-47.169**	**-2.827**	**18.492**
Financing Activities					
Repurchase of treasury shares	2.15	-8.589	-6	-8.589	-6
Proceeds from loans	2.17	60.266	571.819	15.000	0
Repayment of loans	2.17	-45.396	-234.186	0	-18.700
Repurchase of bonds	2.17	-5.004	0	0	0
Repayments of finance lease obligations	2.17	-4.227	-2.225	0	0
Interest and similar expenses paid		-47.960	-37.794	454	-2.127
Dividends paid	2.16	-31.475	-33.976	0	0
Total inflows / (outflows) from financing activities (c)		**-82.385**	**263.632**	**6.865**	**-20.833**
Net increase / (decrease) in cash and cash equivalents for the period (a) + (b) + (c)		**-79.050**	**336.938**	**-7.223**	**4.760**
Cash and cash equivalents at the beginning of the period	2.14	**238.041**	**164.401**	**20.434**	**20.356**
Net foreign exchange difference		-7.619	-11.362	-180	-270
Cash and cash equivalents at the end of the period from total operations	2.14	**151.372**	**489.977**	**13.031**	**24.846**

1. GENERAL INFORMATION

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

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

The interim financial statements of the Group and the Company for the period ended 30 September 2018 were approved by the Board of Directors on 26 November 2018.

2. NOTES TO THE INTERIM FINANCIAL STATEMENTS

2.1.1 Basis of preparation of the Financial Statements

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

2.1.2 Statement of compliance

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

2.1.3 Financial Statements

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

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

2.1.4 Changes in accounting policies

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

Standards and Interpretations compulsory for the fiscal year 2018

IFRS 9 "Financial Instruments"

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

This applies to annual accounting periods starting on or after 1st January 2018. Earlier application is permitted. In July 2014, the IASB completed the last phase of IAS 39 replacement by issuing IFRS 9 "Financial Instruments". The package of improvements introduced by IFRS 9 includes a logical model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting.

Classification and Measurement

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

Impairment

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

Hedge accounting

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

Own credit

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

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

Classification and Measurement

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

Impairment

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

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

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

Hedge accounting

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

Own credit

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

IFRS 15 "Revenue from Contracts with Customers"

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

This applies to annual accounting periods starting on or after 1st January 2018. Earlier application is permitted. In May 2014, the International Accounting Standards Board (IASB), responsible for International Financial Reporting Standards (IFRS), and the Financial Accounting Standards Board (FASB), responsible for US Generally Accepted Accounting Principles (US GAAP), jointly issued a converged Standard on the recognition of revenue from contracts with customers. The Standard will improve the financial reporting of revenue and improve comparability of the financial statements globally.

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

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

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

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

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

a) Licensed operations (Game operation):

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

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

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

b) Management contacts (Game management):

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Cumulative impact by geographical operating segment

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

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

Impact in Income Statement of first nine months of 2018

Amounts reported in thousand €	Adjustments	GROUP 1/1-30/9/2018	COMPANY 1/1-30/9/2018
Sale Proceeds	(b),(c)	255	77
Less: Cost of Sales	(a)	-106	0
Gross Profit /(loss)		**149**	**77**
EBIT		**149**	**77**
EBITDA		**255**	**77**
Foreign exchange differences		-13	-13
Operating Profit/(loss) before tax from continuing operations		**136**	**64**
Tax	(d)	-12	-19
Profit / (loss) after tax from continuing operations (a)		**124**	**45**
Profit / (loss) after tax from discontinued operations (b)		0	0
Profit / (loss) after tax (continuing and discontinued operations) (a)+(b)		**124**	**45**
Attributable to:			
Equity holders of parent			
-Profit/(loss) from continuing operations		124	45
-Profit/(loss) from discontinued operations		0	0
		124	**45**
Non-Controlling Interest			
-Profit/(loss) from continuing operations		0	0
-Profit/(loss) from discontinued operations		0	0
		0	**0**
Earnings/(loss) after tax per share (in €) from total operations			
-basic		0,0008	0,0003
-diluted		0,0008	0,0003
Weighted Average number of shares		153.852.870	153.852.870

Adjustments:

(a) Costs of contracts with clients

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

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

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

(d) Deferred Tax Assets

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

Impact by geographical operating segment

Amounts reported in thousand €	GROUP 1/1-30/9/2018		
	European Union	America	Total
Sale Proceeds	255	0	255
Less: Cost of Sales	0	-106	-106
Gross Profit /(loss)	**255**	**-106**	**149**
EBIT	**255**	**-106**	**149**
EBITDA	**255**	**0**	**255**
Foreign exchange differences	-13	0	-13
Operating Profit/(loss) before tax from continuing operations	**242**	**-106**	**136**
Tax	-41	29	-12
Profit / (loss) after tax from continuing operations (a)	**201**	**-77**	**124**
Profit / (loss) after tax from discontinued operations (b)	0	0	0
Profit / (loss) after tax (continuing and discontinued operations) (a)+(b)	**201**	**-77**	**124**
Attributable to:			
Equity holders of parent			
-Profit/(loss) from continuing operations	201	-77	124
-Profit/(loss) from discontinued operations	0	0	0
	201	**-77**	**124**
Non-Controlling Interest			
-Profit/(loss) from continuing operations	0	0	0
-Profit/(loss) from discontinued operations	0	0	0
	0	**0**	**0**

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

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

Amounts reported in thousand €	GROUP 1/1-30/9/2018	COMPANY 1/1-30/9/2018
Profit / (loss) after tax (continuing and discontinued operations) (a)+(b)	**124**	**45**
Attributable to:		
Equity holders of parent		
-Profit/(loss) from continuing operations	124	45
-Profit/(loss) from discontinued operations	0	0
	124	**45**
Non-Controlling Interest		
-Profit/(loss) from continuing operations	0	0
-Profit/(loss) from discontinued operations	0	0
	0	**0**
Other comprehensive income after tax		
Amounts that may be reclassified to profit or loss:		
Exchange differences on translating foreign operations of subsidiaries	-29	0
Other comprehensive income/ (expenses) after tax	**-29**	**0**
Total comprehensive income / (expenses) after tax	**95**	**45**
Attributable to:		
Equity holders of parent	95	45
Non-Controlling Interest	0	0

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

IFRS 2 (Amendment) "Share-based Payment"

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

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

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

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

These amendments do not affect Group financial statements.

IFRS 4 (Amendment) "Insurance Contracts"

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

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

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

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

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

These amendments do not affect Group financial statements.

IAS 40 (Amendment) "Investment Property"

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

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

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

These amendments do not affect Group financial statements.

IFRIC 22 "Foreign Currency Transactions and Advance Consideration"

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

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

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

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

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

Annual Improvements to IFRSs 2014-2016 Cycle

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

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

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

The amendment applies to the annual fiscal periods beginning on or after the 1st of January, 2018.
The amendment deletes short-term exemptions for first-time adopters.

IFRS 12 "Disclosure of Interests in Other entities"

The amendment holds for the annual fiscal periods beginning on or after the 1st of January, 2017.
The amendment clarifies that the disclosure requirements in IFRS 12 apply to interests in entities within the scope of IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", apart from the requirements to disclose summarized financial information.

IAS 28 "Investments in Associates and Joint Ventures"

The amendment applies to the annual fiscal periods beginning on or after the 1st of January, 2018.
The amendment clarifies that when an investment in an associate or a joint venture is held by an entity that is a venture capital organization, or a mutual fund, and similar entities apply the election to measure that investment at fair value through profit or loss in accordance to IFRS 9, this election shall be made separately for each associate or joint venture, at initial recognition.

Standards and Interpretations compulsory after 31 December 2018

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

IFRS 9 (Amendment) "Financial Instruments"

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

This applies to annual accounting periods starting on or after 1st January 2019. Earlier application is permitted.
In October 2017, the IASB issued amendments in IFRS 9 "Financial Instruments" allowing companies to measure particular prepayable financial assets with so-called negative compensation at amortised cost or at fair value through other comprehensive income if a specified condition is met—instead of at fair value through profit or loss.
The Group will assess the impact of these amendments on its financial statements.

IFRS 16 "Leases"

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

This applies to annual accounting periods starting on or after 1st January 2019. Earlier application is permitted if IFRS 15 "Revenue from Contracts with Customers" has also been applied.
In January 2016, the IASB issued a new accounting Standard, called IFRS 16 "Leases" that replaces IAS 17 "Leases", and related Interpretations. IFRS 16 sets out the principles for the recognition, measurement,

presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor').

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

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

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

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

The new accounting standard will affect the accounting treatment of the operating leases of the Group as a lessee. On 30/09/2018 the Group had commitments from non-cancellable operating leases amounting to €13.314 thousand (note 2.21.C.i). However, the Group has not yet determined to what extent these commitments will result in the recognition of liabilities for future payments, and how the new standard application will affect income statement as well as the classification of cash flows of the Group. Some of the above commitments may be exempted from the requirements of the new standard since they not meet criteria to qualify as leases or covered by the exception for short-term or/and low-value leases.

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

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

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

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

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

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

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

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

IFRS 3 (Amendment) "Business Combinations"

This applies to annual accounting periods starting on or after 1st January 2020. Earlier application is permitted.
In October 2018 the IASB issued narrow-scope amendments to IFRS 3 "Business Combinations" to improve the definition of a business. The amendments will help companies determine whether an acquisition made is of a business or a group of assets. The amended definition emphasizes that the output of a business is to provide goods and services to customers, whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits to investors and others. In addition to amending the wording of the definition, the Board has provided supplementary guidance. Distinguishing between a business and a group of assets is important because an acquirer recognizes goodwill only when acquiring a business.
The Group will assess the impact of the amendment on its financial statements. These amendments have not yet been endorsed by the European Union.

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

This applies to annual accounting periods starting on or after 1st January 2020. Earlier application is permitted.
In October 2018 the IASB issued amendments to IAS 1 "Presentation of Financial Statements" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" regarding its definition of material to make it easier for companies to make materiality judgments. The definition of material, an important accounting concept in IFRS Standards, helps companies decide whether information should be included in their financial statements. The amendments are a response to findings that some companies experienced difficulties using the old definition when judging whether information was material for inclusion in the financial statements. The amendments clarify the definition of material and how it should be applied by including in the definition guidance that until now has featured elsewhere in IFRS Standards. In addition, the explanations accompanying the definition have been improved. Finally, the amendments ensure that the definition of material is consistent across all IFRS Standards.
Old definition: Omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions that users make on the basis of the financial statements (IAS 1 Presentation of Financial Statements).
New definition: Information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.
These amendments have not yet been endorsed by the European Union.

IAS 19 (Amendment) "Employee benefits"

This applies to annual accounting periods starting on or after 1st January 2019. Earlier application is permitted.
In February 2018 the IASB issued amendments in IAS 19 "Employee benefits" that require a company to use the updated assumptions from this remeasurement to determine current service cost and net interest for the remainder of the reporting period after the change to the plan. Until now, IAS 19 did not specify how to determine these expenses for the period after the change to the plan. By requiring the use of updated assumptions, the amendments are expected to provide useful information to users of financial statements.
The Group will assess the impact of the amendment on its financial statements. These amendments have not yet been endorsed by the European Union.

IFRIC 23 "Uncertainty over Income Tax Treatments"

(COMMISSION REGULATION (EU) No. 2018/1595 of 23rd October 2018, L 265/3 -24/10/2018)
This applies to annual accounting periods starting on or after 1st January 2019.
In June 2017 the IASB issued the Interpretation IFRIC 23 "Uncertainty over Income Tax Treatments" to specify how to reflect uncertainty in accounting for income taxes.
The Group will assess the impact of the new standard on its financial statements.

IFRS 17 "Insurance Contracts"

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

IFRS 14 "Regulatory Deferral Accounts" (interim Standard)

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

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

Annual Improvements to IFRSs 2015-2017 Cycle

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

IFRS 3 "Business Combinations"

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

IFRS 11 "Joint Arrangements"

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

IAS 12 "Income Taxes"

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

IAS 23 "Borrowing Costs"

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

2.1.5 EBITDA & EBIT

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

Reconciliation of operating profit before tax to EBIT and EBITDA (continuing operations):	GROUP	
	1/1-30/9/2018	1/1-30/9/2017
Operating profit/(loss) before tax	**46.330**	**24.997**
Profit/(loss) in net monetary position	-48	0
Profit/(loss) equity method consolidation	1.520	3.358
Foreign exchange differences	-10.167	5.976
Interest and similar income	-6.683	-4.797
Interest and similar expenses	38.228	43.937
Income / (expenses) from participations and investments	-2.570	-1.017
Gain / (loss) from assets disposal, impairment losses & write-off of assets	246	908
EBIT	**66.856**	**73.362**
Depreciation and amortization	48.061	49.667
EBITDA	**114.917**	**123.029**

Reconciliation of operating profit before tax to EBIT and EBITDA (continuing operations):	COMPANY	
	1/1-30/9/2018	1/1-30/9/2017
Operating profit/(loss) before tax	**-5.890**	**-5.937**
Foreign exchange differences	298	741
Interest and similar income	-3.579	-2.469
Interest and similar expenses	12.408	12.847
Income / (expenses) from participations and investments	-10.444	-13.083
Gain / (loss) from assets disposal, impairment losses & write-off of assets	0	6

EBIT	**-7.207**	**-7.895**
Depreciation and amortization	10.154	11.043
EBITDA	**2.947**	**3.148**

Project EBITDA of the Company

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

2.1.6 Significant accounting judgments estimates and assumptions

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

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

Contract of OPAP technical support

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

2.1.7 Seasonality and cyclicality of operations

The Group revenue can fluctuate due to seasonality in some components of the worldwide operations. In particular, the majority of the Group sports betting revenue is generated from bets placed on European football, which has an off-season in the European summer that typically causes a corresponding periodic decrease in the Group revenue.

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

2.2 INFORMATION PER SEGMENT

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

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

No two operating segments have been added.

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

1/1-30/9/2018

(in million €)	European Union	Other Europe	America	Other Countries	Eliminations	Total
Sales to third parties	429,23	1,34	152,10	215,98	0,00	798,65
Intragroup sales	37,08	0,00	0,30	0,04	-37,42	0,00
Total Sales	**466,31**	**1,34**	**152,40**	**216,02**	**-37,42**	**798,65**
Gross Profit	**56,65**	**-0,37**	**17,52**	**93,30**	**-4,90**	**162,20**
(Debit)/Credit interest & similar (expenses)/income	-32,48	0,16	-3,63	3,16	1,25	-31,54
Depreciation/Amortization	-26,16	-1,13	-16,77	-6,40	2,40	-48,06
Profit/(loss) consolidated with equity method	-0,89	0,00	1,41	-2,04	0,00	-1,52
Write-off & impairment of assets	-0,13	0,00	-0,12	0,00	0,00	-0,25
Write-off & impairment of investments	-0,30	0,00	-0,02	0,00	0,32	0,00
Doubtful provisions, write-off & impairment of receivables	4,02	0,00	-0,23	-0,52	-3,84	-0,57
Profit/(Loss) before tax and continuing operations	**46,84**	**-0,35**	**0,11**	**60,05**	**-60,32**	**46,33**
Tax	-3,03	-0,14	-3,34	-17,89	0,00	-24,40
Profit/(Loss) after tax from continuing operations	**43,81**	**-0,49**	**-3,23**	**42,16**	**-60,32**	**21,93**
Profit/(Loss) after tax from discontinued operations	0,00	0,00	0,00	0,00	0,00	0,00
Profit/(Loss) after tax from total operations	**43,81**	**-0,49**	**-3,23**	**42,16**	**-60,32**	**21,93**

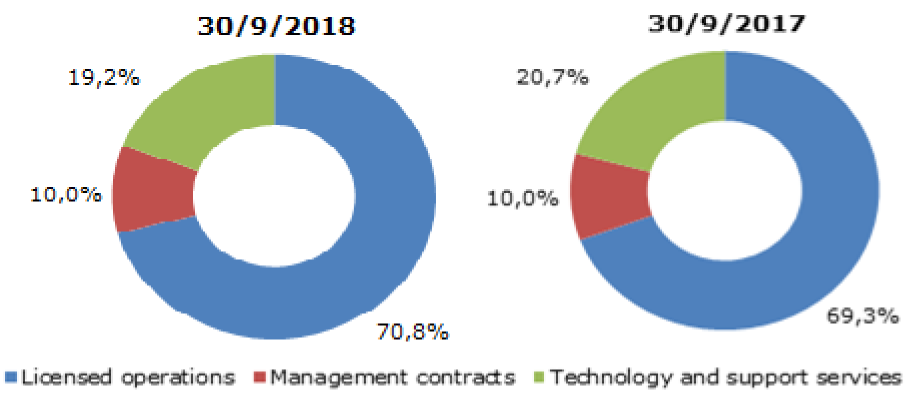
1/1-30/9/2017

(in million €)	European Union	Other Europe	America	Other Countries	Eliminations	Total
Sales to third parties	417,67	2,15	165,78	209,13	0,00	794,73
Intragroup sales	36,97	0,00	0,63	0,01	-37,61	0,00
Total Sales	**454,64**	**2,15**	**166,41**	**209,14**	**-37,61**	**794,73**
Gross Profit	**48,67**	**0,35**	**22,40**	**92,16**	**-0,24**	**163,34**
(Debit)/Credit interest & similar (expenses)/income	-37,57	0,27	-3,90	2,02	0,04	-39,14
Depreciation/Amortization	-27,99	-1,17	-16,24	-7,32	3,05	-49,67
Profit/(loss) consolidated with equity method	-1,23	0,00	0,26	-2,39	0,00	-3,36
Write-off & impairment of assets	-0,01	-1,32	-0,10	0,25	0,00	-1,18
Write-off & impairment of investments	-41,77	0,00	-0,04	0,00	41,81	0,00
Doubtful provisions, write-off & impairment of receivables	-1,37	0,00	-0,08	-0,62	1,13	-0,94
Reversal of doubtful provisions & recovery of written off receivables	1,45	0,04	0,00	0,03	-1,49	0,03
Reversal of provisions for participations impairment	36,21	0,00	0,00	0,00	-36,21	0,00
Profit/(Loss) before tax and continuing operations	**-0,98**	**-1,51**	**3,37**	**53,33**	**-29,21**	**25,00**
Tax	0,99	-0,24	-3,96	-16,59	0,00	-19,80
Profit/(Loss) after tax from continuing operations	**0,01**	**-1,75**	**-0,59**	**36,74**	**-29,21**	**5,20**
Profit/(Loss) after tax from discontinued operations	-0,12	-0,35	12,77	0,00	-14,71	-2,41
Profit/(Loss) after tax from total operations	**-0,11**	**-2,10**	**12,18**	**36,74**	**-43,92**	**2,79**

Sales per business activity (continuing operations) (in thousand €)	30/9/2018	30/9/2017	Change
Licensed operations	565.277	550.475	2,69%
Management contracts	79.692	79.560	0,17%
Technology and support services	153.676	164.691	-6,69%
Total	**798.645**	**794.726**	**0,49%**

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

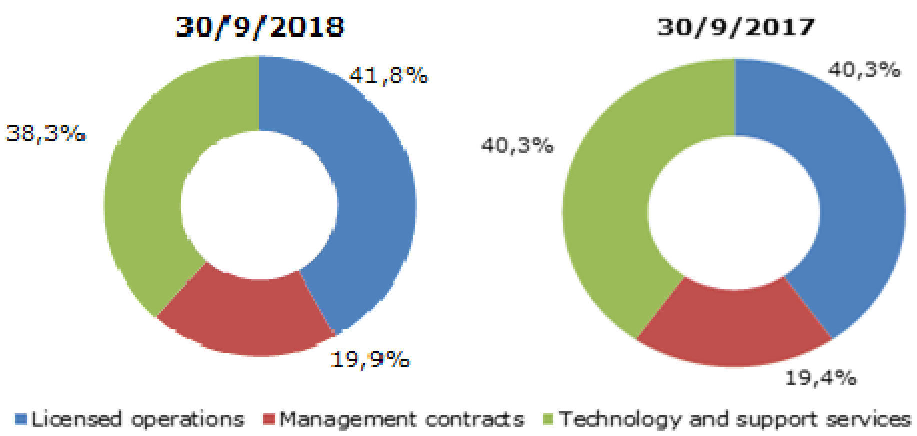
Sales per business activity



Sales per product type (continuing operations)	30/9/2018	30/9/2017
Lottery games	30,5%	32,8%
Sports Betting	57,8%	54,5%
IT products & services	6,2%	7,1%
Racing	2,7%	2,6%
Video Lottery Terminals	2,8%	3,0%
Total	**100%**	**100%**

Revenue Net of Payout (GGR) per business activity (continuing operations) (in thousand €)	30/9/2018	30/9/2017	Change
Licensed operations	167.868	165.048	1,71%
Management contracts	79.692	79.560	0,17%
Technology and support services	153.675	164.691	-6,69%
Total	**401.235**	**409.299**	**-1,97%**

Revenue Net of Payout (GGR) per business activity



2.3 OTHER OPERATING INCOME

(continuing operations)	GROUP		COMPANY	
	30/9/2018	30/9/2017	30/9/2018	30/9/2017
Income from rents from third parties	8.598	9.611	0	0
Income from rents from subsidiaries	0	0	90	111
Income from uncollected winnings	701	822	0	0
Income from reversal of doubtful provisions and proceeds for written off receivables from third parties	0	30	0	0
Income from reversal of doubtful provisions and proceeds for written off receivables from subsidiaries	0	0	0	1.449
Other income	1.951	2.538	32	12
Other income from affiliates	0	0	0	31
Total	**11.250**	**13.001**	**122**	**1.603**

2.4 INCOME TAX

GROUP (continuing operations)	30/9/2018	30/9/2017
Current income tax	23.614	23.818
Deferred income tax	188	-889
Tax audit differences and other taxes non-deductible	594	-3.129
Total income tax expense reported in income statement	**24.396**	**19.800**

The income tax expense for the Company was calculated to 29% on the taxable profit of the periods 1/1-30/9/2018 and 1/1-30/9/2017 respectively.

COMPANY	30/9/2018	30/9/2017
Current income tax	0	0
Deferred income tax	400	-821
Tax audit differences and other taxes non-deductible	14	-3.788
Total income tax expense reported in income statement	**414**	**-4.609**

2.5 INCOME / (EXPENSES) FROM PARTICIPATIONS AND INVESTMENTS

(continuing operations)	GROUP		COMPANY	
	30/9/2018	30/9/2017	30/9/2018	30/9/2017
Income from dividends	2.813	1.840	10.463	16.472
Gain from sale of participations and investments	138	118	0	1.055
Total income from participations and investments	**2.951**	**1.958**	**10.463**	**17.527**
Loss from sale of participations and investments	-381	-941	-19	0
Loss from impairment / write-offs of participations and investments	0	0	0	-4.444
Total expenses from participations and investments	**-381**	**-941**	**-19**	**-4.444**
Net result from participations and investments	**2.570**	**1.017**	**10.444**	**13.083**

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

(continuing operations)	GROUP		COMPANY	
	30/9/2018	30/9/2017	30/9/2018	30/9/2017
Gain from disposal of tangible and intangible assets	57	294	0	0
Loss from disposal of tangible and intangible assets	-57	-27	0	-6
Loss from impairment and write-off of tangible and intangible assets	-246	-1.175	0	0
Net result from tangible and intangible assets	**-246**	**-908**	**0**	**-6**

2.7 IMPAIRMENT, WRITE OFF AND PROVISIONS FOR DOUBTFUL DEBTS

Included in «Other operating expenses»:

(continuing operations)	GROUP		COMPANY	
	30/9/2018	30/9/2017	30/9/2018	30/9/2017
Provisions for doubtful receivables from subsidiaries	0	0	1.320	1.089
Provisions for doubtful receivables from debtors	458	874	0	250
Write-off of receivables from debtors	102	64	0	0
Write-off of receivables from other related parties	5	0	0	0
Total	**565**	**938**	**1.320**	**1.339**

2.8 INTEREST AND SIMILAR EXPENSES / INTEREST AND SIMILAR INCOME

(continuing operations)	GROUP		COMPANY	
	30/9/2018	30/9/2017	30/9/2018	30/9/2017
Interest Expense[1]	-37.066	-40.264	-12.639	-12.410
Finance costs	-1.120	-3.130	231	-437
Discounting	-42	-543	0	0
Total Interest and similar expenses	**-38.228**	**-43.937**	**-12.408**	**-12.847**
Interest Income	5.668	4.233	3.579	2.469
Discounting	1.015	564	0	0
Total Interest and similar Income	**6.683**	**4.797**	**3.579**	**2.469**
Net Interest and similar Income / (Expenses)	**-31.545**	**-39.140**	**-8.829**	**-10.378**

[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 nine months of 2018 gains from «Exchange differences» amounting €10.167 thousand (nine months of 2017: losses €5.976 thousand) coming mainly from valuation of commercial and borrowing liabilities (intercompany and non) in EUR that various subsidiaries abroad, with a different functional currency than the Group, had at 30/9/2018, from valuation of cash in foreign currency other than the functional currency of each company as well as from valuation of trade receivables (from third parties and associates) mainly in USD of the Company on 30/9/2018.

2.10 TANGIBLE AND INTANGIBLE ASSETS

<u>Acquisitions and disposals of tangible and intangible assets:</u>

During the nine months of 2018, the Group acquired tangible (owner occupied) and intangible assets with acquisition cost €70.868 thousand (discontinued operations €0 thousand), (nine months 2017: €55.862 thousand – discontinued operations €4.159 thousand).

Also, during the nine months of 2018, the Group disposed tangible (owner occupied) and intangible assets with a net book value of €374 thousand (nine months 2017: €308 thousand – discontinued operations €98 thousand), making a net gain amounting to €0 thousand (nine months 2017: net gain €182 thousand – discontinued operations, net loss €85 thousand), which was recorded in the account "Gain/(loss) from assets disposal, impairment loss & write-off of assets".

<u>Write-offs and impairment of tangible and intangible assets:</u>

During the nine months of 2018, the Group proceeded to writes-offs and impairments of tangible (owner-occupied) and intangible assets with a net book value of €246 thousand (nine months 2017:

€1.175 thousand – discontinued operations €0 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 nine months of 2018 due to foreign exchange valuation differences by €16,2 million.

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

The net book value of the Group's tangible (own used and investing) and intangible assets increased by €1,8 million in the nine months to 2018 due to a recalculation in current measuring units pursuant to IAS 29 "Financial Reporting in Hyperinflationary Economies"

Goodwill and Intangible assets with indefinite useful life impairment test

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

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

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

Carrying amount:

CGU	Goodwill		Intangible assets with indefinite useful life	
	30/9/2018 [1]	31/12/2017	30/9/2018	31/12/2017
European Union	23.459	23.552	2.300	2.300
Other Europe	0	0	0	0
America	736	1.578	23	4
Other countries	21.483	32.911	0	0
Total	**45.678**	**58.041**	**2.323**	**2.304**

[1] The net decrease in goodwill during the nine months of 2018 by €12.363 thousand is caused by foreign currency translation differences losses on goodwill valuation from acquisitions of foreign subsidiaries with a different functional currency made by the Group in the past.

Key assumptions:

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

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

Sales:

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

Sales growth rate:

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

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

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

Growth rate beyond the budget period:

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

Discount rates:

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

Discount rates:

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

Recoverable amount sensitivity analysis:

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

2.11 INVESTMENT IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

GROUP INVESTMENT IN ASSOCIATES AND JOINT VENTURES	% Participation	Country	30/9/2018	31/12/2017
Lotrich Information Co LTD	40%	Taiwan	5.698	5.844
Goreward LTD Group	38,84%	China	44.299	47.000
Gamenet Group SpA	20%	Italy	61.859	67.523
Intralot de Peru SAC	20%	Peru	15.892	15.395
Karenia Enterprises Co Ltd	50%	Cyprus	6.734	0
Other			1	1
Total			**134.483**	**135.763**

GROUP INVESTMENT IN ASSOCIATES AND JOINT VENTURES	30/9/2018	31/12/2017
Opening Balance before the application of IFRS 9	**135.763**	**180.807**
Effect from the application of IFRS 9	-1.150	0
Opening Balance after the application of IFRS 9	**134.613**	**180.807**
Participation in net profit / (loss) of associates and joint ventures	-1.520	-3.412
Change in consolidation method	0	-4.482
Additions/contribution in kind	6.740	848
Foreign exchange differences	-428	-12.912
Impairment	0	-24.624
Dividends	-4.845	-645
Other	-77	183
Closing Balance	**134.483**	**135.763**

COMPANY INVESTMENT IN ASSOCIATES AND JOINT VENTURES	% Participation	Country	30/9/2018	31/12/2017
Lotrich Information Co LTD	40%	Taiwan	5.131	5.131
Intralot De Peru SAC	20%	Peru	5.528	5.528
Total			**10.659**	**10.659**

COMPANY INVESTMENT IN SUBSIDIARIES	% Participation	Country	30/9/2018	31/12/2017
Intralot Holdings International LTD	100%	Cyprus	4.464	4.464
Betting Company S.A.	95%	Greece	139	139
Inteltek Internet AS	20%	Turkey	15.231	15.231
Bilyoner Interactif Hizmelter AS	50,01%	Turkey	10.751	10.751
Intralot Global Securities BV	100,00%	Nederland	57.028	57.028
Intralot Global Holdings BV	0,002%	Nederland	37.268	37.268
Intralot Iberia Holdings SA	100%	Spain	5.638	5.638
Other			322	322
Total			**130.841**	**130.841**
Grand Total			**141.500**	**141.500**

COMPANY INVESTMENT IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES	30/9/2018	31/12/2017
Opening Balance	**141.500**	**155.740**
Provisions / reverse of provisions for impairment of affiliates	0	-15.295
Participation fee of affiliate	0	1.055
Closing Balance	**141.500**	**141.500**

2.12 OTHER FINANCIAL ASSETS

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

	GROUP		COMPANY	
	30/9/2018	31/12/2017	30/9/2018	31/12/2017
Opening Balance	**22.438**	**21.910**	**1.243**	**1.483**
Purchases	0	2.260	0	0
Disposals	-12	-921	0	0
Return of capital	-3.130	0	0	0
Fair value revaluation	2.262	-685	31	-240
Exchange of shares with software	-4.400	0	0	0
Foreign exchange differences	-332	-112	0	0
Disposal of subsidiary	0	-14	0	0
Closing balance	**16.826**	**22.438**	**1.274**	**1.243**
Quoted securities	1.079	1.600	91	60
Unquoted securities	15.747	20.838	1.183	1.183
Total	**16.826**	**22.438**	**1.274**	**1.243**
Long-term Financial Assets	16.169	21.524	1.274	1.243
Short-term Financial Assets	657	914	0	0
Total	**16.826**	**22.438**	**1.274**	**1.243**

During the nine months of 2018, the Group gain arising from the valuation at fair value of the above financial assets amounting €2.262 thousand (nine months 2017: losses €524 thousand) are analyzed in gains amounting €2.186 thousand (nine months 2017: losses €429 thousand) reported in particular equity reserves (revaluation reserve and hedging reserve) and in gains amounting €76 thousand (nine months 2017: losses of €95 thousand) reported in the income statement. Respectively for the Company, gains amounting €31 thousand (nine months 2017: losses of €254 thousand) are analyzed in gain amounting €31 thousand (nine months 2017: losses of €254 thousand) that were reported in particular equity reserves (revaluation reserve and hedging reserve).

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

2.13 INVENTORIES

	GROUP		COMPANY	
	30/9/2018	31/12/2017	30/9/2018	31/12/2017
Merchandise – Equipment	32.195	29.217	16.318	18.839
Other	18.158	3.803	0	0
Total	**50.353**	**33.020**	**16.318**	**18.839**
Provisions for impairment	-1.536	-1.538	0	0
Total	**48.817**	**31.482**	**16.318**	**18.839**

The burden on the nine month results of 2018, from disposals/usage and provision of inventories for the Group amounts to €3.480 thousand (nine months of 2017: €2.352 thousand) while for the Company amounts to €3.160 thousand (nine months of 2017: €2.552 thousand) and is included in "Cost of Sales".

Reconciliation of changes in inventories provision for impairment	GROUP		COMPANY	
	30/9/2018	31/12/2017	30/9/2018	31/12/2017
Opening balance for the period	**-1.538**	**-2.078**	**0**	**0**
Transfer of inventories to tangible assets	0	500	0	0
Foreign exchange differences	2	40	0	0
Closing balance for the period	**-1.536**	**-1.538**	**0**	**0**

There are no liens on inventories.

2.14 CASH AND CASH EQUIVALENTS

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

	GROUP		COMPANY	
	30/9/2018	31/12/2017	30/9/2018	31/12/2017
Cash and bank current accounts	150.711	236.855	13.031	20.434
Short term time deposits / investments (cash equivalents)	661	1.186	0	0
Total	**151.372**	**238.041**	**13.031**	**20.434**

2.15 SHARE CAPITAL, TREASURY SHARES AND RESERVES

Share Capital

Total number of authorized shares	30/9/2018	31/12/2017
Ordinary shares of nominal value €0,30 each	156.961.721	158.961.721

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

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

Treasury Shares

Share buyback program 11.6.2014 - 11.6.2018:

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

Share buyback program 16.5.2018 - 16.5.2020:

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

During the nine months of 2018, the Company purchased 9.218.779 treasury shares (5,87% of the Company's share capital) at an average price of €0,93 per share, totalling €8.589 thousand. Until 30/9/2018 the Company has purchased 9.200.033 treasury shares (5,86% of the company's share capital) with average price €0,93 per share, with total price of €8.528 thousand subtracting 2.000.000 treasury shares (1,27% of the share capital of the Company) at an average purchase price of €1,10, that were cancelled from the Shareholder's Annual General Meeting of 16.05.2018.

	GROUP		COMPANY	
	Number of ordinary shares	€ '000	Number of ordinary shares	€ '000
Balance 1 January 2017	**1.582.769**	**1.709**	**1.582.769**	**1.709**
Repurchase of treasury shares	869.231	930	869.231	930
Disposal of treasury shares	-470.746	-490	-470.746	-490
Balance 31 December 2017	**1.981.254**	**2.149**	**1.981.254**	**2.149**
Repurchase of treasury shares	9.218.779	8.589	9.218.779	8.589
Cancellation of treasury shares	-2.000.000	-2.210	-2.000.000	-2.210
Balance 30 September 2018	**9.200.033**	**8.528**	**9.200.033**	**8.528**

Reserves

Foreign exchange differences reserve

This reserve is used to report the exchange differences arising from the translation of foreign subsidiaries' financial statements. The balance of this reserve in the Group on 30/9/2018 was €-96,7 million (31/12/2017: €-76,7 million). The Group had a total net loss which was reported in the statement of comprehensive income from the change in the fair value reserve during the nine months of 2018 amounting to €28,3 million, out of which loss of €20,0 million is attributable to the owners of the parent and a loss of €8,3 million to non-controlling interest. The above total net loss for the nine months of 2018 comes mainly from the fluctuation of the TRY, ARS and AZN against the EUR.

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

- **Statement of Financial Position**:

	30/9/2018	31/12/2017	Change
EUR / USD	1,16	1,20	-3,3%
EUR / AUD	1,60	1,53	4,6%
EUR / TRY	6,96	4,55	53,0%
EUR / PEN	3,84	3,89	-1,3%
EUR / AZN	1,97	2,04	-3,4%
EUR / ARS	47,99	22,39	114,3%
EUR / PLN	4,28	4,18	2,4%
EUR / BRL	4,65	3,97	17,1%

- **Income Statement**:

	Avg. 1/1-30/9/2018	Avg. 1/1-30/9/2017	Change
EUR / USD	1,19	1,11	7,2%
EUR / AUD	1,58	1,45	9,0%
EUR / TRY	5,51	4,00	37,8%
EUR / PEN	3,90	3,63	7,4%
EUR / AZN	2,03	1,92	5,7%
EUR / ARS	29,76	18,12	64,2%
EUR / PLN	4,25	4,27	-0,5%
EUR / BRL	4,30	3,54	21,5%

Other Reserves

	GROUP		COMPANY	
	30/9/2018	31/12/2017	30/9/2018	31/12/2017
Statutory reserve	29.162	28.201	15.896	15.896
Extraordinary reserves	1.689	1.689	1.456	1.456
Tax free and specially taxed reserves	31.324	31.334	28.601	28.601
Treasury shares reserve	5	5	5	5
Actuarial differences reserve	-190	-190	-186	-186
Hedging reserve	0	-18	0	-18
Revaluation reserve	-2.069	-4.283	-2.144	-2.175
Total	**59.921**	**56.738**	**43.628**	**43.579**

Analysis of changes in other comprehensive income by category of reserves

GROUP 1/1-30/9/2018	Actuarial differences reserve	Revaluation reserve	Hedging reserve	Foreign exchange differences reserve	Retained earnings	Total	Non-controlling interest	Grand total
Defined benefit plans revaluation of subsidiaries and parent company					-9	**-9**	-10	**-19**
Revaluation of defined benefit plans of associates and joint ventures					-105	**-105**		**-105**
Valuation of assets at fair value through other comprehensive income, of subsidiaries and parent company		2.214				**2.214**	-1	**2.213**
Valuation of derivatives of subsidiaries and parent company			18			**18**		**18**
Foreign exchange differences on consolidation of subsidiaries				-19.586		**-19.586**	-8.281	**-27.867**
Share of foreign exchange differences on consolidation of associates and joint ventures				-428		**-428**		**-428**
Other comprehensive income / (expenses) after tax	**0**	**2.214**	**18**	**-20.014**	**-114**	**-17.896**	**-8.292**	**-26.188**

GROUP 1/1-30/9/2017	Actuarial differences reserve	Revaluation reserve	Hedging reserve	Foreign exchange differences reserve	Retained Earnings	Total	Non-controlling interest	Grand total
Defined benefit plans revaluation of subsidiaries and parent company	-63				66	**3**	2	**5**
Defined benefit plans revaluation of associates and joint ventures	63					**63**		**63**
Valuation of assets measured at fair value through other comprehensive income, of subsidiaries and parent company		-154				**-154**	-18	**-172**
Share of valuation of assets valued at fair value through other comprehensive income of associates and joint ventures		130				**130**		**130**
Foreign exchange differences on consolidation of subsidiaries				1.151		**1.151**	-9.346	**-8.195**
Share of foreign exchange differences on consolidation of associates and joint ventures				-11.587		**-11.587**	0	**-11.587**
Other comprehensive income / (expenses) after tax	**0**	**-24**	**0**	**-10.436**	**66**	**-10.394**	**-9.362**	**-19.756**

COMPANY 1/1-30/9/2018	Revaluation reserve	Hedging reserve	Total
Valuation of assets measured at fair value through other comprehensive income	31	0	**31**
Valuation of derivatives	0	18	**18**
Other comprehensive income / (expenses) after tax	**31**	**18**	**49**

COMPANY 1/1-30/9/2017	Revaluation reserve	Hedging reserve	Total
Valuation of assets measured at fair value through other comprehensive income	-254	0	**-254**
Valuation of derivatives	0	0	**0**
Other comprehensive income / (expenses) after tax	**-254**	**0**	**-254**

2.16 DIVIDENDS

	GROUP		COMPANY	
Declared dividends of ordinary shares:	**30/9/2018**	**31/12/2017**	**30/9/2018**	**31/12/2017**
Final dividend of 2014	0	173	0	0
Final dividend of 2015	0	482	0	0
Final dividend of 2016	512	26.433	0	0
Interim dividend of 2017	0	17.807	0	0
Final dividend of 2017	23.435	0	0	0
Interim dividend of 2018	7.231	0	0	0
Dividend per statement of changes in equity	**31.178**	**44.895**	**0**	**0**

Paid Dividends on ordinary shares:

During the nine months of 2018 dividends paid on ordinary shares, aggregated €31.475 thousand (nine months 2017: €33.976 thousand).

2.17 DEBT

Long term loans and finance leases:

			GROUP		COMPANY	
	Currency	**Interest rate**	**30/9/2018**	**31/12/2017**	**30/9/2018**	**31/12/2017**
Facility A (€250,0 million)	EUR	6,75%	244.662	247.520	0	0
Facility B (€500,0 million)	EUR	5,25%	486.317	490.956	0	0
Intercompany Loans			0	0	259.818	232.179
Other			19.772	7.439	0	0
Total Loans (long term and short term) before repurchasing			**750.751**	**745.915**	**259.818**	**232.179**
Less: Payable during the next year			-2.741	-17.927	0	0
Repurchase of Facility B			-4.863	0	0	0
Long term loans after repurchasing			**743.147**	**727.988**	**259.818**	**232.179**
Short term finance leases			2.213	1.389	0	0
Total long term debt (loans and finance leases)			**745.360**	**729.377**	**259.818**	**232.179**

Short term loans and finance leases:

	GROUP		COMPANY	
	30/9/2018	31/12/2017	30/9/2018	31/12/2017
Facility A (€250,0 million)	500	4.839	0	0
Facility B (€500,0 million)	795	7.256	0	0
Intercompany loans	0	0	0	0
Other	1.539	5.832	0	0
Short term loans before repurchasing	**2.834**	**17.927**	**0**	**0**
Repurchasing Facility B	-93	0	0	0
Short term loans after repurchasing	**2.741**	**17.927**	**0**	**0**
Short term finance leases	1.734	1.418	0	0
Total short term debt (loans and finance leases)	**4.475**	**19.345**	**0**	**0**

	GROUP		COMPANY	
	30/9/2018	31/12/2017	30/9/2018	31/12/2017
Total debt (loans and finance leases)	**749.835**	**748.722**	**259.818**	**232.179**

- Facility A: In September 2016, Intralot Capital Luxembourg, issued Senior Notes with a nominal value of €250 million, guaranteed by the parent company and subsidiaries of the Group, due 15 September 2021. The Notes were offered at an issue price of 100,000%. Interest is payable semi-annually at an annual fixed nominal coupon of 6,75%. The Notes are trading on the Luxembourg Stock Exchanges Euro MTF Market. The Notes bear the Group financial covenants for incurring additional debt with respect to total Net Debt to EBITDA (EBITDA/ "Consolidated Cash Flow") (Senior Leverage ratio <3,75), and financial expenses coverage ratio (Fixed Charge Coverage ratio >2,00).The Group was in compliance with the covenants under Notes as at 30/09/2018.
- Facility B: In September 2017, Intralot Capital Luxembourg issued Senior Notes with a nominal value of €500,0 million, guaranteed by the parent company and subsidiaries of the Group, due 15 September 2024. The Notes were offered at an issue price of 100,000%. Interest is payable semi-annually at an annual fixed nominal coupon of 5,25%. The Notes are trading on the Luxembourg Stock Exchanges Euro MTF Market. The Notes bear the Group financial covenants for incurring additional debt with respect to total Net Debt to EBITDA (EBITDA/ "Consolidated Cash Flow") (Senior Leverage ratio <3,75), and financial expenses coverage ratio (Fixed Charge Coverage ratio >2,00). The Group was in compliance with the covenants under Notes as at 30/9/2018. During the third quarter of 2018 and up to the date of approval of the interim financial statements of 30/9/2018, the Group proceeded to the repurchase of bonds with nominal value of €5,0 million, forming the total outstanding nominal amount at €495,0 million.

The Group under the Senior Notes (Facility A & B) terms will be able to incur additional debt so long as on a pro forma basis its consolidated fixed charge coverage ratio is at least 2,00, and will be able to incur additional senior debt so long as on a pro forma basis its consolidated senior leverage ratio is not more than 3,75. Furthermore to the above, the Group can incur additional debt from specific baskets.

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

Other facilities:

- Facility C: In December 2017 Intralot Finance UK Ltd signed a loan agreement guaranteed by the parent and subsidiaries of the Group amounting to €15 million as term loan. Loan agreement matures on 30/6/2021 (with an extension option up to 31/12/2022 in case Facility A has been fully repaid until 30/6/2021) and bears a floating rate (Euribor) plus a 2,75% margin. The financial terms of the above loan, include minimum ratio requirements of total net debt to EBITDA (Leverage Ratio<3,75) - (30/9/2018: 3,70), and the Interest Coverage ratio>3,00 - (30/9/2018: 4,15). On 30/9/2018 the Group had utilised the above term loan of €15 million. On 30/9/2018 the Group covers the financial covenants of the above loan.

- Facility D: In December 2017 Intralot Finance UK Ltd signed loan agreement (which was revised in September 2018) guaranteed by the parent and subsidiaries of the Group amounting €30 million as revolving facility. Revised loan agreement, to be signed, matures on 31/12/2020 and bears a floating rate (Euribor) plus a 4,50% margin. The financial terms of the above loan, include minimum ratio requirements of total net debt to EBITDA (Leverage Ratio<4,75) - (30/9/2018: 3,66), and the Interest Coverage ratio>3,50 - (30/9/2018: 4,15). On 30/9/2018 the Group had not utilised the above revolving facility. On 30/9/2018 the Group covers the financial covenants of the above loan.

- Facility E: In February 2018 Intralot Finance UK Ltd signed loan agreement guaranteed by the parent and subsidiaries of the Group amounting €40 million as revolving facility. Loan agreement matures on 30/06/2021 (with an extension option up to 31/12/2022 in case Facility A has been fully repaid until 30/6/2021), and bears a floating rate (Euribor) plus a 4,50% margin. The financial terms of the above loan, include minimum ratio requirements of total net debt to EBITDA (Leverage Ratio<3,75) - (30/9/2018: 3,66), and the Interest Coverage ratio>3,00 - (30/9/2018: 4,15). On 30/9/2018 the Group had not utilised the above revolving facility. On 30/9/2018 the Group covers the financial covenants of the above loan.

Regarding facilities D & E (revolving facilities) the Group has the right to borrow, repay and utilize the loan limit until maturity. Additionally, voluntary prepayments and commitment reductions under the credit agreements are permitted at any time in whole or in part, without premium or penalty (other than break-funding costs).

Reconciliation of liabilities arising from financing activities:

GROUP	Balance 31/12/2017	Cash flows	Non cash adjustments					Balance 30/9/2018
			Accrued interest	Foreign exchange differences	Transfers	Purchases of fixed assets under finance leases	Issuing costs/Repurchase results	
Long term loans	727.988	11.866	49	60	3.283	0	-99	743.147
Short term loans	17.927	-47.628	35.809	-84	-3.283	0	0	2.741
Long term finance lease	1.389	-1.040	0	67	0	1.797	0	2.213
Short term finance lease	1.418	-647	74	42	0	847	0	1.734
Total liabilities from financing activities	**748.722**	**-37.449**	**35.932**	**85**	**0**	**2.644**	**-99**	**749.835**

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

2.18 SHARED BASED BENEFITS

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

2.19 FINANCIAL ASSETS AND LIABILITIES

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

30/9/2018	GROUP			
Financial assets:	**Debt instruments at amortized cost**	**Equity instruments at fair value through other comprehensive income**	**Derivative financial assets at fair value through other comprehensive income**	**Total**
Debtors	72.688	0	0	**72.688**
Receivables from related parties	21.910	0	0	**21.910**
Prepaid expenses and other receivable	61.115	0	0	**61.115**
Bad debtors provisions	-18.192	0	0	**-18.192**
Other quoted financial assets	657	422	0	**1.079**
Other unquoted financial assets	0	15.747	0	**15.747**
Total	**138.178**	**16.169**	**0**	**154.347**
Long term	16.880	16.169	0	**33.049**
Short term	121.298	0	0	**121.298**
Total	**138.178**	**16.169**	**0**	**154.347**

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

30/9/2018	GROUP			
Financial liabilities	**Financial liabilities measured at amortized cost**	**Financial liabilities at fair value through profit and loss**	**Financial liabilities at fair value through other comprehensive income**	**Total**
Creditors	43.779	0	0	**43.779**
Payables to related parties	4.194	0	0	**4.194**
Other liabilities	49.604	0	0	**49.604**
Borrowing and finance lease	749.835	0	0	**749.835**
Total	**847.412**	**0**	**0**	**847.412**
Long term	747.789	0	0	**747.789**
Short term	99.623	0	0	**99.623**
Total	**847.412**	**0**	**0**	**847.412**

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

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

30/9/2018	COMPANY			
Financial assets:	Debt instruments at amortized cost	Equity instruments at fair value through other comprehensive income	Derivative financial assets at fair value through other comprehensive income	Total
Trade receivables	38.143	0	0	**38.143**
Receivables from related parties	87.658	0	0	**87.658**
Prepaid expenses and other receivable	23.771	0	0	**23.771**
Bad debtors provisions	-50.529	0	0	**-50.529**
Other quoted financial assets	0	91	0	**91**
Other unquoted financial assets	0	1.183	0	**1.183**
Total	**99.043**	**1.274**	**0**	**100.317**
Long term	139	1.274	0	**1.413**
Short term	98.904	0	0	**98.904**
Total	**99.043**	**1.274**	**0**	**100.317**

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

30/9/2018	COMPANY			
Financial liabilities	Financial liabilities measured at amortized cost	Financial liabilities at fair value through profit and loss	Financial liabilities at fair value through other comprehensive income	Total
Creditors	10.764	0	0	**10.764**
Payables to related parties	24.620	0	0	**24.620**
Other liabilities	3.365	0	0	**3.365**
Borrowing and finance lease	259.818	0	0	**259.818**
Total	**298.567**	**0**	**0**	**298.567**
Long term	260.115	0	0	**260.115**
Short term	38.452	0	0	**38.452**
Total	**298.567**	**0**	**0**	**298.567**

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

Estimated fair value

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

	GROUP			
	Carrying Amount		Fair Value	
Financial Assets	30/9/2018	31/12/2017	30/9/2018	31/12/2017
Other long-term financial assets - classified as "equity instruments at fair value through other comprehensive income "	16.169	21.524	16.169	21.524
Other long-term receivables	16.880	16.515	16.880	16.515
Trade and other short-term receivables	120.641	145.575	120.641	145.575
Other short-term financial assets classified as "debt instruments at amortized cost"	657	914	809	871
Short-term derivative financial assets at fair value through other comprehensive income	0	0	0	0
Cash and cash equivalents	151.372	238.041	151.372	238.041
Total	**305.719**	**422.569**	**305.871**	**422.526**

Financial Liabilities				
Long-term loans	743.147	727.988	593.203	766.794
Other long-term liabilities	2.429	1.069	2.429	1.069
Liabilities from finance leases	2.213	1.389	2.213	1.389
Trade and other short term payables	95.148	136.844	95.148	136.844
Short-term loans and finance lease	4.475	19.345	4.234	20.030
Total	**847.412**	**886.635**	**697.227**	**926.126**

	COMPANY			
	Carrying Amount		**Fair Value**	
Financial Assets	**30/9/2018**	**31/12/2017**	**30/9/2018**	**31/12/2017**
Other long-term financial assets - classified as "equity instruments at fair value through other comprehensive income "	1.274	1.243	1.274	1.243
Other long-term receivables	139	142	139	142
Trade and other short-term receivables	98.904	105.917	98.904	105.917
Short-term derivative financial assets at fair value through other comprehensive income	0	0	0	0
Cash and cash equivalents	13.031	20.434	13.031	20.434
Total	**113.348**	**127.736**	**113.348**	**127.736**
Financial Liabilities				
Long-term loans	259.818	232.179	259.818	232.179
Other long-term liabilities	297	0	297	0
Trade and other short term payables	38.452	61.910	38.452	61.910
Total	**298.567**	**294.089**	**298.567**	**294.089**

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

Fair value hierarchy

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

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

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

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

The Group and the Company held on 30/9/2018 the following assets and liabilities measured at fair value:

GROUP	Fair Value 30/9/2018	Fair value hierarchy Level 1	Level 2	Level 3
Financial assets measured at fair value				
Other financial assets classified as "equity instruments at fair value through other comprehensive income"	**16.169**	**422**	**0**	**15.747**
- Quoted securities	*422*	*422*	*0*	*0*
- Unquoted securities	*15.747*	*0*	*0*	*15.747*
Other financial assets classified as "debt instruments at amortized cost"	**657**	**0**	**0**	**657**
- Quoted securities	*657*	*0*	*0*	*657*
- Unquoted securities	*0*	*0*	*0*	*0*
Derivative financial instruments	**0**	**0**	**0**	**0**
Financial liabilities measured at fair value				
Derivative financial instruments	**0**	**0**	**0**	**0**

COMPANY	Fair Value 30/9/2018	Fair value hierarchy Level 1	Level 2	Level 3
Financial assets measured at fair value				
Other financial assets classified as "equity instruments at fair value through other comprehensive income"	**1.274**	**91**	**0**	**1.183**
- Quoted securities	*91*	*91*	*0*	*0*
- Unquoted securities	*1.183*	*0*	*0*	*1.183*
Derivative financial instruments	**0**	**0**	**0**	**0**
Financial liabilities measured at fair value				
Derivative financial instruments	**0**	**0**	**0**	**0**

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

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

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

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

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

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

Unquoted securities	GROUP	COMPANY
Balance 1/1/2017	**19.961**	**1.459**
Period purchases	1.300	0
Disposals	-14	0
Fair value revaluation	-382	-276
Foreign exchange differences	-13	0
Disposal of subsidiary	-14	0
Balance 31/12/2017	**20.838**	**1.183**
Fair value revaluation	2.439	0
Exchange of shares with software	-4.400	0
Return of capital	-3.130	0
Balance 30/9/2018	**15.747**	**1.183**

Quoted securities	GROUP	COMPANY
Balance 1/1/2017	**0**	**0**
Period purchases	960	0
Fair value revaluation	49	0
Foreign exchange differences	-95	0
Balance 31/12/2017	**914**	**0**
Fair value revaluation	76	0
Foreign exchange differences	-333	0
Balance 30/9/2018	**657**	**0**

Valuation methods and assumptions

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

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

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

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

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

Description of significant unobservable inputs to valuation:

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

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

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

Sensitivity analysis of recoverable amounts:

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

2.20 SUPPLEMENTARY INFORMATION

A. BUSINESS COMBINATION AND METHOD OF CONSOLIDATION

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

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

I. Full consolidation		Domicile	Nature of business	% Direct Part'n	% Indirect Part'n	% Total Part'n
26.	INTRALOT GAMING SERVICES PTY	Melbourne, Australia	Technology and support services		100%	100%
5.	ILOT CAPITAL UK LTD	Hertfordshire, United Kingdom	Financial services	0,02%	99,98%	100%
5.	ILOT INVESTMENT UK LTD	Hertfordshire, United Kingdom	Financial services	0,02%	99,98%	100%
5.	INTRALOT NEDERLAND B.V.	Amsterdam, Netherlands	Technology and support services		100%	100%
35.	INTRALOT BENELUX B.V.	Amsterdam, Netherlands	Technology and support services		100%	100%
5.	LOTROM S.A.	Bucharest, Romania	Management contracts		60%	60%
5.	INTRALOT BEIJING Co LTD	Beijing, China	Technology and support services		100%	100%
5.	TECNO ACCION S.A.	Buenos Aires, Argentina	Technology and support services		50,01%	50,01%
5.	TECNO ACCION SALTA S.A.	Buenos Aires, Argentina	Licensed operations		50,01%	50,01%
5.	MALTCO LOTTERIES LTD	Valetta, Malta	Licensed operations		73%	73%
5.	INTRALOT NEW ZEALAND LTD	Wellington, New Zealand	Technology and support services		100%	100%
5.	INTRALOT DO BRAZIL LTDA	Sao Paulo, Brazil	Licensed operations		80%	80%
14.	OLTP LTDA	Rio de Janeiro, Brazil	Licensed operations		80%	80%
5.	INTRALOT GERMANY GMBH	Munich, Germany	Technology and support services		100%	100%
5.	INTRALOT SOUTH KOREA S.A.	Seoul, S. Korea	Technology and support services		100%	100%
5.	INTRALOT FINANCE UK LTD	London, United Kingdom	Financial services		100%	100%
5.	INTRALOT ASIA PACIFIC LTD	Hong Kong, China	Technology and support services		100%	100%
5.	WHITE EAGLE INVESTMENTS LTD	Hertfordshire, United Kingdom	Holding company		100%	100%
5.	BETA RIAL Sp.Zoo	Warsaw, Poland	Holding company		100%	100%
5.	POLLOT Sp.Zoo	Warsaw, Poland	Holding company		100%	100%
15,16,17	TOTOLOTEK S.A.	Warsaw, Poland	Licensed operations		99,27%	99,27%
5.	INTRALOT SLOVAKIA SPOL. S.R.O.	Bratislava, Slovakia	Technology and support services		100%	100%
5.	NIKANTRO HOLDINGS Co LTD	Nicosia, Cyprus	Holding company		100%	100%
19.	LOTERIA MOLDOVEI S.A.	Chisinau, Moldova	Licensed operations	47,90%	32,85%	80,75%
5.	INTRALOT BETTING OPERATIONS (CYPRUS) LTD	Nicosia, Cyprus	Holding company		54,95%	54,95%
5,6.	ROYAL HIGHGATE LTD	Nicosia, Cyprus	Licensed operations		35,08%	35,08%
5.	INTRALOT LEASING NEDERLAND B.V.	Amsterdam, Netherland	Financial services		100%	100%
5.	INTRALOT IRELAND LTD	Dublin, Ireland	Technology and support services		100%	100%
5.	BILOT INVESTMENT LTD	Sofia, Bulgaria	Holding company		100%	100%

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

I. Full consolidation		Domicile	Nature of business	% Direct Part'n	% Indirect Part'n	% Total Part'n
2.	INTRALOT HONG KONG HOLDINGS LTD	Hong Kong, China	Holding company		100%	100%
3.	ENTERGAMING LTD	Alderney, Guernsey	Licensed operations		100%	100%
2.	INTRALOT BETTING OPERATIONS RUSSIA LTD	Nicosia, Cyprus	Holding company		100%	100%
II. Equity method		**Domicile**	**Nature of business**	**% Direct Part'n**	**% Indirect Part'n**	**% Total Part'n**
	LOTRICH INFORMATION Co LTD	Taipei, Taiwan	Technology and support services	40%		40%
	INTRALOT SOUTH AFRICA LTD	Johannesburg, S. Africa	Technology and support services	45%		45%
2,3.	GOREWARD LTD	Taipei, Taiwan	Holding company		38,84%	38,84%
29.	GOREWARD INVESTMENTS LTD	Taipei, Taiwan	Holding company		38,84%	38,84%
29.	PRECIOUS SUCCESS LTD GROUP	Hong Kong, China	Licensed operations		19,03%	19,03%
29.	GAIN ADVANCE GROUP LTD	Hong Kong, China	Holding company		38,84%	38,84%
29.	OASIS RICH INTERNATIONAL LTD	Taipei, Taiwan	Technology and support services		38,84%	38,84%
30.	WUSHENG COMPUTER TECHNOLOGY (SHANGHAI) CO LTD	Shanghai, China	Technology and support services		38,84%	38,84%
2.	UNICLIC LTD	Nicosia, Cyprus	Holding company		50%	50%
25.	DOWA LTD	Nicosia, Cyprus	Holding company		30%	30%
7.	GAMENET GROUP S.p.A. [2]	Rome, Italy	Holding company		20%	20%
24.	GAMENET S.p.A.	Rome, Italy	Licensed operations		20%	20%
31.	INTRALOT ITALIA S.p.A	Rome, Italy	Licensed operations		20%	20%
31.	GAMENET ENTERTAINMENT S.R.L.	Rome, Italy	Licensed operations		20%	20%
32.	EASY PLAY S.R.L.	Rome, Italy	Licensed operations		10,20%	10,20%
32.	LA CHANCE S.R.L.	Rome, Italy	Licensed operations		12%	12%
33.	SLOT PLANET S.R.L.[4]	Milan, Italy	Licensed operations		12%	12%
31.	GAMENET SCOMMESSE S.p.A.[3]	Rome, Italy	Licensed operations		20%	20%
31.	TOPPLAY S.R.L.	Rome, Italy	Licensed operations		20%	20%
31.	GNETWORK S.R.L.	Rome, Italy	Licensed operations		20%	20%
31.	BILLIONS ITALIA S.R.L.	Rome, Italy	Licensed operations		10,20%	10,20%
31.	JOLLY VIDEOGIOCHI S.R.L.	Rome, Italy	Licensed operations		14%	14%
34.	ROSILSPORT S.R.L.	Milan, Italy	Technology and support services		10,50%	10,50%
31.	NEW MATIC S.R.L.	Rome, Italy	Licensed operations		10,20%	10,20%

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

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

[1] On March 2018, the subsidiary Intralot Capital Luxembourg S.A. absorbed its 100% owned subsidiary, Intralot Finance Luxembourg S.A.
[2] The Group consolidated on 30/9/2018 the Gamenet Group S.p.A. using the equity method and the financial statements for the period 1/10/2017-30/6/2018 pursuant to IAS 28 paragraph 34, as the preparation and approval deadlines for the financial statements of Gamenet Group S.p.A. are later than those of the Intralot Group.
[3] On 1/1/2018 the associate company Gamenet S.p.A. (20%) absorbed its 100% subsidiary Gamenet Scommesse S.p.A.
[4] On 24/7/2018, with accounting and taxation implementation as of 1/1/2018, the associate company La Chance S.R.L. (12%) absorbed its 100% subsidiary Slot Planet S.R.L.

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

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

On 30/9/2018, the Group or its subsidiaries did not have any significant contractual or statutory restrictions on their ability to access or use the assets and settle the liabilities of the Group.

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

Intralot Finance UK Ltd (company number 6451119)

White Eagle Investments Limited (company number 3450868)

Ilot Capital UK Limited (company number 9614324)

Ilot Investments UK Ltd (company number 9614271)

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

III. Acquisitions

Gamenet Group S.p.A. - Italy

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

On July 24, 2018, the associate entity Gamenet Group S.p.A. (20%) announced that signed a binding contract for the acquisition of 100% of the share capital of GoldBet S.r.l. ("GoldBet"), an authorized gaming and betting company in Italy, that operates a retail network of 990 betting shops rights and holds the concession to collect online games and bets, including via mobile platforms. On October 9, 2018, announced that completed the acquisition GoldBet, (which, on the same day, was transformed into GoldBet S.p.A.).

GoldBet ended 2017 with EBITDA of €41 million, EBIT €35 million, Net Income of €23 million and generated an EBITDA for the period of 12 months ended June 30, 2018 of €54 million. The purchase price of the acquisition was equal to approximately €273 million. Of this amount, approximately Euro 247 million, net of certain costs incurred by the seller, was paid in cash on the closing date, with the remaining €25 million to be paid subsequently, as a deferred price component over a medium term period, subject to the fulfillment of certain conditions provided for in the acquisition agreement. The acquisition will allow Gamenet Group to assume a leading position in Italy in the multi-concession gaming sector, in particular in the sports betting sector, and to significantly increase the degree of diversification of its product portfolio and profitability, at EBITDA, EBIT and net profit levels. The Closing was subject to the occurrence of the usual conditions precedent for this type of transaction, including the prior approval of the Italian Competition Authority, which was received on September 17, 2018 and the authorization of the Customs and Monopolies Agency, which was received on August 2, 2018.

Other acquisitions

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

IV. New Companies of the Group

On September 2018 the Group established the subsidiary Intralot Benelux B.V. (100%).

V. Changes in ownership percentage during 2018

In August 2018 the Group increased its participation rate in subsidiary Totolotek S.A. from 96,13% to 99,27% through increase in share capital paid by its subsidiary Pollot Sp.Zoo.

VI. Subsidiaries' Share Capital Increase

During the nine months of 2018 the Group completed a share capital increase through payment in cash in Netman SRL amounting €154 thousand, in Totolotek amounting €15 million and in Intralot Inc amounting €33,5 million.

VII. Strike off - Disposal of Group Companies

The Group completed the liquidation and strike off of its associate, Veneta Servizi S.R.L. in December 2017, and its subsidiaries Intralot Latin America Inc (May 2018) and Intralot Dominicana S.A. (June 2018).

The management of subsidiary Inteltek Internet AS (45%), parent of Azerinteltek AS, decided in mid-February 2018 to investigate the possibility of selling its (51%) stake in Azerinteltek AS. At the end of October 2018, management of Inteltek Internet AS decided to sell 51% of AzerInteltek AS (nominal value 51.000 AZN) to Baltech Investment LLC, that holds 24,5% of Azerinteltek AS share capital. On 15/11/2018 the final share purchase agreement (SPA) was signed for a total consideration of approximately €19,5 million. The transfer of shares is anticipated to be completed within 6 months.

The basic financial data (stand-alone) of the indirectly owned by 22,95% subsidiary Azerinteltek AS were:

	1/1-30/9/2018	1/1-30/9/2017	1/1-31/12/2017
Sales	121.333	109.864	153.317
EBITDA	15.599	12.305	17.940
Profit / (losses) after taxes	7.829	5.070	7.889

	30/9/2018
Total assets	11.683
Total liabilities	7.967

Below presented (on a consolidated level after intragroup eliminations) the contribution to the Group of Azerinteltek AS, in which the Group participates indirectly with 22,95%:

	1/1-30/9/2018	1/1-30/9/2017	1/1-31/12/2017
Sale Proceeds	121.333	109.864	153.317
EBITDA	17.314	14.261	20.421
Profit / (loss) after tax	9.935	7.750	11.252
Profit / (loss) after tax attributable to equity holders of parent	3.902	3.843	5.174

	30/9/2018
Total assets	10.560
Total liabilities	7.284

VIII. Discontinued Operations

A) Russia

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

	1/1-30/6/2017
Sale proceeds	0
Expenses	-215
Other operating income	0
Other operating expenses	0
EBIT	**-215**
EBITDA	**-200**
Gain/(loss) from assets disposal, impairment loss and write-off of assets	0
Interest and similar expenses	-12
Interest and similar income	0
Foreign exchange differences	-19
Profit/(loss) before tax	**-246**
Income tax	0
	-246
Gain/(loss) from disposal of discontinued operations	-11.622
Relevant tax	0
Profit/(loss) after tax from discontinued operations	**-11.868**

The final consideration price of the sale of Favorit Bookmakers Office OOO amounted to €3.487 thousand. The net assets of Favorit Bookmakers Office OOO amounted to €584 thousand at the sale forming the gross profits from the sale of discontinued operations at € 2.903 thousand. Subtracting the exchange differences that were reclassified from the foreign exchange reserve in the Group's income statement, the net loss from the sale of the discontinued operations amounted to €11,622 thousand, which are presented in the Group's Income Statement (line "Profit / (loss) after tax from discontinued operations").
The Group's net cash inflow from the transfer of the discontinued operations in Russia (Favorit Bookmakers Office OOO) amounted to €2.901 thousand, consisting of the consideration price and the de-recognition of the cash equivalents of Favorit Bookmakers Office.
Below are presented the net cash flows of the Group’s discontinued operations in Russia (Favorit Bookmakers Office OOO):

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

B)Jamaica

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

Below are presented the results of the discontinued operations of the Group in Jamaica and Santa Lucia (Supreme Ventures Ltd and Intralot Caribbean Ventures Ltd) for the period 1/1-30/09/2017 (in 2017 they were consolidated with the full consolidation method until 2/10/2017):

	1/1-30/9/2017
Sale proceeds	287.602
Expenses	-274.841
Other operating income	0
Other operating expenses	-61
EBIT	**12.700**
EBITDA	**14.169**
Income/expenses of participations and investments	26
Gain/(loss) from assets disposal, impairment loss and write-off of assets	-85
Interest and similar expenses	-567
Interest and similar income	499
Exchange Differences	19
Profit/(loss) before tax	**12.592**
Income tax	-3.107
	9.485
Gain/(loss) from disposal of discontinued operations	0
Relevant taxes	0
Gain/(loss) after taxes from discontinued operations	**9.485**
Attributable to:	
Equity holders of the parent Company	2.540
Non-controlling interest	6.945

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

	1/7-30/9/2017
Sale proceeds	91.516
Expenses	-87.977
Other operating income	0
Other operating expenses	29
EBIT	**3.568**
EBITDA	**4.170**
Income/expenses of participations and investments	26
Gain/(loss) from assets disposal, impairment loss and write-off of assets	12
Interest and similar expenses	-252
Interest and similar income	197
Exchange Differences	-17
Profit/(loss) before tax	**3.534**
Income tax	-675
	2.859
Gain/(loss) from disposal of discontinued operations	0
Relevant taxes	0
Gain/(loss) after taxes from discontinued operations	**2.859**
Attributable to:	
Equity holders of the parent Company	771
Non-controlling interest	2.088

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

	1/1-30/9/2017
Operating activities	13.951
Investing activities	-5.213
Financing activities	-6
Net increase / (decrease) in cash and cash equivalents for the period	**8.732**

C) Slovakia

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

Below are presented the results of the Group's discontinued operations in Slovakia (Slovenske Loterie AS) for the period 1/1-30/09/2017 (in 2017 they were consolidated with the full consolidation method until18/12/2017):

	1/1-30/9/2017
Sale proceeds	3.488
Expenses	-3.522
Other operating income	21
Other operating expenses	-10
EBIT	**-23**
EBITDA	**97**
Gain/(loss) from assets disposal, impairment loss and write-off of assets	0
Interest and similar expenses	-6
Interest and similar income	0
Exchange Differences	0
Profit/(loss) before tax	**-29**
Income tax	0
	-29
Gain/(loss) from disposal of discontinued operations	0
Relevant taxes	0
Gain/(loss) after taxes from discontinued operations	**-29**
Attributable to:	
Equity holders of the parent Company	29
Non-controlling interest	-58

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

	1/4-30/9/2017
Sale proceeds	1.110
Expenses	-1.180
Other operating income	2
Other operating expenses	-6
EBIT	**-74**
EBITDA	**-34**
Income / (expense) from participations and investments	0
Gain/(loss) from assets disposal, impairment loss and write-off of assets	0
Interest and similar expenses	-1
Interest and similar income	0

Exchange Differences	0
Profit/(loss) before tax	**-75**
Income tax	0
	-75
Gain/(loss) from disposal of discontinued operations	0
Relevant taxes	0
Gain/(loss) after taxes from discontinued operations	**-75**
Attributable to:	
Equity holders of the parent Company	-24
Non-controlling interest	-51

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

	1/1-30/9/2017
Operating activities	-968
Investing activities	1
Financing activities	-24
Net increase / (decrease) in cash and cash equivalents for the period	**-991**

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

Earnings / (loss) after tax per share (€) from discontinued operations	1/1-30/9/2018	1/1-30/9/2017
- basic	-	-0,0591
- diluted	-	-0,0591
Weighted Average number of shares	-	157.373.690

IX. Companies merge

On March 2018, the subsidiary Intralot Capital Luxembourg S.A. absorbed its 100% owned subsidiary, Intralot Finance Luxembourg S.A.

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

On 24/7/2018 with accounting and taxation implementation as of 1/1/2018, the associate company La Chance S.R.L. (12%) absorbed its 100% subsidiary Slot Planet S.R.L.

B. REAL LIENS

A Group subsidiary in Malta has banking facility amounting €4,3 million, for issuing bank letters of guarantee. This facility is secured by an initial general mortgage on all the subsidiary's present and future assets (on 30/9/2018 the letters of guarantee used amounted to €4,0 million). Also, a Group subsidiary in Bulgaria has secured a loan of €1,2 million by pledging its total trading activity and fixed assets of its subsidiary.

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

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

In the Group Statement of Financial Position (row "Trade and other short term receivables") of 30/9/2018 are included collateralized bank deposits as security coverage for banking facilities amounting €30 thousand (31/12/2017: €30 thousand) and other collateralized bank deposits amounting to €359 thousand (31/12/2017: €360 thousand). Respectively, for the Company on 30/9/2018 are included collateralized bank deposits as security coverage for banking facilities amounting €30 thousand

(31/12/2017: €30 thousand) and other collateralized bank deposits amounting to €129 thousand (31/12/2017: €129 thousand).

C. PROVISIONS

GROUP	Litigation cases [1]	Unaudited fiscal years and tax audit expenses [2]	Other provisions [3]	Total provisions
Period opening balance	**4.558**	**3.116**	**6.178**	**13.852**
Period additions	21	0	968	**989**
Used provisions	0	0	-1.256	**-1.256**
Foreign exchange differences	138	0	-753	**-615**
Period closing balance	**4.717**	**3.116**	**5.137**	**12.970**
Long term provisions	**4.660**	**3.116**	**307**	**8.083**
Short term provisions	**57**	**0**	**4.830**	**4.887**
Total	**4.717**	**3.116**	**5.137**	**12.970**

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

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

[3] Relate to provisions for risks none of which are individually material to the Group except from provisions for additional fees (bonus) and other employee benefits of the Group amounting to €2.170 thousand as well as provisions amounting to €2.602 for earned winnings which relate to sports betting prices and guaranteed future numerical games jackpots The Other provisions are expected to be used in the next 1-6 years.

COMPANY	Litigation cases [1]	Unaudited fiscal years and tax audit expenses [2]	Other provisions	Total provisions
Period opening balance	**4.497**	**3.115**	**91**	**7.703**
Foreign exchange differences	164	0	0	**164**
Period closing balance	**4.661**	**3.115**	**91**	**7.867**
Long term provisions	**4.661**	**3.115**	**0**	**7.776**
Short term provisions	**0**	**0**	**91**	**91**
Total	**4.661**	**3.115**	**91**	**7.867**

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

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

D. PERSONNEL EMPLOYED

The number of employees of the Group on 30/9/2018 amounted to 5.112 persons (Company/subsidiaries 3.066 and associates 2.046) and the Company's to 696 persons. Respectively on 30/9/2017 the number of employees of the Group amounted to 5.368 persons (Company/subsidiaries 3.410 and associates 1.958) and the Company 728 persons. At the end of 2017 fiscal year the number of employees of the Group amounted to 5.149 persons (Company/subsidiaries 3.132 and associates 2.017) and the Company 735 persons.

E. RELATED PARTY DISCLOSURES

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

Below is a condensed report of the transactions for the nine months of 2018 and the balances on 30/9/2018 of other related parties:

Amounts reported in thousands of € (total operations)	1/1-30/9/2018 GROUP	1/1-30/9/2018 COMPANY
Income		
-from subsidiaries	0	26.110
-from associates	4.673	5.491

-from other related parties	5.644	3.695
Expenses		
-to subsidiaries	0	15.270
-to associates	31	10
-to other related parties	6.975	3.626
BoD and Key Management Personnel transactions and fees	5.468	3.237

Amounts reported in thousands of €	30/9/2018	
	GROUP	COMPANY
Receivables		
-from subsidiaries	0	72.225
-from associates	10.256	6.694
-from other related parties	11.654	8.739
Payables		
-to subsidiaries	0	281.367
-to associates	1	0
-to other related parties	4.311	3.071
BoD and Key Management Personnel receivables	0	0
BoD and Key Management Personnel payables	181	0

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

Amounts reported in thousands of € (total operations)	1/1-30/9/2017	
	GROUP	COMPANY
Income		
-from subsidiaries	0	30.149
-from associates	3.434	3.141
-from other related parties	5.111	3.920
Expenses		
-to subsidiaries	0	14.509
-to associates	616	616
-to other related parties	4.648	3.247
BoD and Key Management Personnel transactions and fees	7.347	3.419

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

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

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

The accumulated relevant provisions on 30/9/2018 amounted to €37,6 million (31/12/2017: €38,8 million).

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

2.21 CONTNGENT LIABILITIES, ASSETS AND COMMITMENTS

A. LITIGATION CASES

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

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

2017 when the case has been heard and a decision of the Court of Appeals was issued which ordered the repeat of the appeal's hearing. The date for the hearing was set for the 22nd of February 2018 when the case was heard and decision no. 3253/2018 of the Athens Court of Appeals was issued which rejected the appeal; until now, no application for cassation was has been filed by the opponent.

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

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

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

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

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

e. In Turkey the companies Teknoloji Holding A.Ş. and Teknoser Bilgisayar Teknik Hizmetler Sanayi ve Dış Ticaret A.Ş have filed a lawsuit against Intralot and Inteltek claiming that due to wrong calculation of the reserves of the years 2005 and 2006, the distributed dividends to the then shareholders of Inteltek should have been higher and for this reason they are requesting that the amount of TL 609.310,40 (€87.482) plus interest to be paid to them. A First Instance Court decision was issued which accepted the lawsuit against Intralot. The appeal filed by the Company was accepted only in relation to the amount of the interests while it was rejected with regards to the capital amount. A new appeal was filed by the Company with regards to the capital amount which is pending.

f. In Colombia, INTRALOT, on 22nd July 2004, entered into an agreement with an entity called Empresa Territorial para la salud ("Etesa"), under which it was granted with the right to operate games of chance in Colombia. In accordance with terms of the abovementioned agreement, INTRALOT has submitted an application to initiate arbitration proceedings against Etesa requesting to be recognized that there has been a disruption to the economic balance of abovementioned agreement to the detriment of INTRALOT and for reasons not attributable to INTRALOT and that Etesa to be compelled to the modification of the financial terms of the agreement in the manner specified by INTRALOT as well as to pay damages to INTRALOT (including damages for loss of profit) or alternatively to terminate now the agreement with no liability to INTRALOT. The arbitration court adjudicated in favour of Etesa the amount of 23,6 billion Colombian pesos (€6,85m). The application for annulment of the arbitration award filed by INTRALOT before the High Administrative Court was rejected. The Company filed a lawsuit before the Constitutional Court which was rejected. On 31 August 2016 an application was served to the Company requesting to render the abovementioned arbitration decision as executable in Greece which was heard before the Athens One-Member First Instance Court and the decision issued accepted it. The Company filed an appeal against this decision which has been heard on 4 October 2018 before the Athens Court of Appeals and the decision is pending. In parallel, the Company filed also an application for suspension of execution which was heard on 24 May 2018 before the Athens Court of Appeals and the decision issued granted a suspension of execution until the issue of the decision in relation to appeal. The Company has created relative provision in its financial statements part of which (€2,2m) has already been used for the payment to Etesa of a letter of guarantee amounting to 7.694.081.042 Colombian pesos.

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

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

i. On 24 April 2013 the Company was notified of the existence of a research conducted by the Competition Board of Romania in relation to the contract signed in 2003 with Compania Nationala Loteria Romana regarding the Videolotto program. The Competition Board of Romania imposed a fine to the Company amounting to 5.541.874 ROL (€1.188.274) and to the subsidiary LOTROM to 512.469 ROL (€109.882). The Company and its subsidiary LOTROM filed a lawsuit against the respective decision requesting its annulment and the suspension of its execution. The applications for the suspension of validity of the above decision of the Competition Board were rejected and the Company and its subsidiary LOTROM filed appeals; no hearing date has been scheduled yet. Also, an application for the suspension of execution was filed by Intralot, scheduled to be heard on 13th November 2014, date on which the Court decided to suspend the issue of the decision until the competent court decides on the main recourse filed for annulment of the decision of the Competition Board. Against said decision an appeal was filed which has been rejected. Finally, the applications for the annulment of the decision of the Competition Board filed by LOTROM and INTRALOT were accepted by the court and the respective fines were cancelled. Against LOTROM and the respective abovementioned decision, the Competition Board of Romania filed an appeal which has not been yet scheduled for hearing. The Competition Board filed a separate appeal against the decision which accepted Intralot's application for the annulment which has not been yet scheduled for hearing.

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

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

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

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

n. On 30 July 2012, Intralot filed before the Athens Multi-member Court of First Instance a lawsuit against the company "Hellenic Organization of Horse Racing S.A." (ODIE) requesting the payment of the amount of €2.781.381,15 relating to system maintenance services provided but not paid. The case was heard on 6th May 2015 and a decision was issued accepting Intralot's lawsuit in full. ODIE filed an appeal against this decision which has been heard on 1 November 2018 before the Athens Court of Appeal and the decision is pending.

Moreover, Intralot filed a recourse to the arbitration panel on 13 August 2012 against the same company ODIE requesting the payment of the amount of €9.551.527,34 relating to operational services of integrated system provided but not paid. The arbitration was concluded on 1st March 2013 and the arbitration decision no 27/2013 was issued vindicating Intralot and compelling ODIE to pay to Intralot the total amount requested (€9.551.527,34). In order to secure its claims, Intralot:

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

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

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

Furthermore, on 20 March 2014, Intralot filed before the Athens Multi-member Court of First Instance a lawsuit against ODIE requesting the payment of the amount of €8.043.568,69 which is owed to it pursuant to the "Agreement of Maintenance and Operation of the System of the Mutual Betting on Horse Races of ODIE" dated 6 March 2012. The lawsuit was heard on 4 October 2017 and the decision issued accepted the lawsuit. ODIE filed an appeal which has been scheduled for hearing before the Athens Court of Appeal on 24 October 2019.

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

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

p. In Poland a lawsuit was filed against the subsidiary "Totolotek Totomix SA" by a player of betting games; he claims that the amount of 861.895PLN (€201.450) which was not paid by the abovementioned subsidiary because of violation of the betting regulations by the plaintiff, is due to him. "Totolotek Totomix SA" has requested the case to be heard before the Warsaw courts (instead of the courts of the town Torun) and this application was accepted, however the plaintiff has filed a recourse requesting that the case to be heard before the courts of Torun which was rejected by the court and the case will be scheduled for new hearing by the Warsaw courts.

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

r. In Romania, the company "INTRAROM SA" having its registered offices in Romania, requested arbitration against Intralot before the Arbitration Court of the Romanian Chamber of Commerce and Industry claiming the amount of 3.960.649,42 RON (€849.232) for unpaid invoices and the amount of 3.210.848,10 RON (€688.462) for delay penalties until 11.7.2017 and additional delay penalties from 11.7.2017 until payment. The arbitration procedure is in progress, the next hearing is set for 5th December 2018 and Intralot reserves the position that it has strong arguments to object the claims of "INTRAROM SA".

s. In Cyprus, the National Betting Authority has suspended the Class A license of the company Royal Highgate Pcl Ltd. in which the Company has an indirect participation of approx. 35,08%, initially for a period of two months, alleging non-compliance of Royal Highgate Pcl Ltd. with specific terms of the license. Royal Highgate Pcl Ltd. considers that those requested by the National Betting Authority are beyond the provisions of the law and has filed a recourse before the competent administrative court of Nicosia which was heard on 30 March 2018. The decision issued rejects the recourse for typical reasons. Royal Highgate Pcl Ltd. will file an appeal against this decision. In parallel, Royal Highgate Pcl Ltd. has filed three more recourses against decisions of the National Betting Authority relating to the suspension of the license of Royal Highgate Pcl Ltd. which are all pending. National Betting Authority has started the procedure for the revocation of the license of Royal Highgate Pcl Ltd. and the latter has been called to present its arguments on 30 November 2018.

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

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

v. In Morocco, a judgment was notified to the subsidiary company Intralot Maroc deciding the payment of the amount of 3.360.000 MAD (€307.197) to a supplier company. The company Intralot Maroc has filed an appeal which is pending.

Until 23/11/2018, apart from the legal issues for which a provision has been recognised, the Group Management estimates that the rest of the litigations will be finalized without a material effect on the Group’s and the Company’s financial position and results.

B. FISCAL YEARS UNAUDITED BY THE TAX AUTHORITIES

I) SUBSIDIARIES

COMPANY	YEARS
INTRALOT S.A.	2013-2017
BETTING COMPANY S.A.	2013-2017
BETTING CYPRUS LTD	2012-2017
INTRALOT IBERIA HOLDINGS SA	2014-2017
INTRALOT JAMAICA LTD	2010-2017
INTRALOT TURKEY A.S.	2013-2017
INTRALOT DE MEXICO LTD	2006-2017
INTRALOT CHILE SPA	2016-2017
INTELTEK INTERNET AS	2013-2017
AZERINTELTEK AS	-
POLDIN LTD	2013-2017
ATROPOS S.A.	2010-2017

COMPANY	YEARS
BETA RIAL Sp.Zoo	2013-2017
POLLOT Sp.Zoo	2013-2014 & 2016-2017
TOTOLOTEK S.A.	2013-2017
INTRALOT SLOVAKIA SPOL. S.R.O.	2014-2017
NIKANTRO HOLDINGS Co LTD	2012-2017
LOTERIA MOLDOVEI S.A.	2014-2017
INTRALOT BETTING OPERATIONS (CYPRUS) LTD	2012-2017
ROYAL HIGHGATE LTD	2013-2017
INTRALOT LEASING NEDERLAND B.V.	2013-2017
INTRALOT IRELAND LTD	2014-2017
BILOT INVESTMENT LTD	2016-2017
EUROBET LTD	2013-2017

INTRALOT SERVICES S.A.	2015-2017	EUROBET TRADING LTD	2013-2017
INTRALOT ADRIATIC DOO	2015-2017	ICS S.A.	2013-2017
BILYONER INTERAKTIF HIZMELTER AS GROUP	2015-2017	TECNO ACCION URUGUAY S.A. (Pilmery Corporation S.A.)	2016-2017
INTRALOT MAROC S.A.	2016-2017	INTRALOT GLOBAL OPERATIONS B.V.	2016-2017
GAMING SOLUTIONS INTERNATIONAL LTDA	2013-2017	GARDAN LTD	-
INTRALOT INTERACTIVE S.A.	2013-2017	GAMEWAY LTD	2016-2017
INTRALOT GLOBAL SECURITIES B.V.	2013-2017	INTRALOT ITALIAN INVESTMENTS B.V.	2017
INTRALOT CAPITAL LUXEMBOURG S.A.	2017	BIT8 LTD	2012-2016
INTRALOT FINANCE LUXEMBOURG S.A.	2017	INTRALOT CYPRUS GLOBAL ASSETS LTD	2012-2017
INTRALOT GLOBAL HOLDINGS B.V.	2013-2017	INTRALOT OOO	2015-2017
INTRALOT INC	2014-2017	INTRALOT ST. LUCIA LTD	2012-2017
DC09 LLC	2014-2017	INTRALOT GUATEMALA S.A.	2009-2017
INTRALOT AUSTRALIA PTY LTD	2014-2017	LOTERIAS Y APUESTAS DE GUATEMALA S.A.	2009-2017
INTRALOT GAMING SERVICES PTY	2014-2017	INTRALOT HOLDINGS INTERNATIONAL LTD	2012-2017
ILOT CAPITAL UK LTD	2016-2017	INTRALOT INTERNATIONAL LTD	2012-2017
ILOT INVESTMENT UK LTD	2016-2017	INTRALOT OPERATIONS LTD	2012-2017
INTRALOT NEDERLAND B.V.	2010-2017	NETMAN SRL	2013-2017
INTRALOT BENELUX B.V.	-	BILOT EOOD	2013-2017
LOTROM S.A.	2013-2017	EUROFOOTBALL LTD	2012-2017
INTRALOT BEIJING Co LTD	2007-2017	EUROFOOTBALL PRINT LTD	2013-2017
TECNO ACCION S.A.	2012-2017	INTRALOT TECHNOLOGIES LTD	2012-2017
TECNO ACCION SALTA S.A.	2015-2017	INTRALOT LOTTERIES LTD	2012-2017
MALTCO LOTTERIES LTD	2004-2017	INTRALOT BUSINESS DEVELOPMENT LTD	2012-2017
INTRALOT NEW ZEALAND LTD	2013 & 2017	GAMING SOLUTIONS INTERNATIONAL SAC	2013-2017
INTRALOT DO BRAZIL LTDA	2013-2017	NAFIROL S.A.	-
OLTP LTDA	2013-2017	LEBANESE GAMES S.A.L	-
INTRALOT GERMANY GMBH	2016-2017	INTRALOT HONG KONG HOLDINGS LTD	-
INTRALOT SOUTH KOREA S.A.	2007-2017	ENTERGAMING LTD	-
INTRALOT FINANCE UK LTD	2016-2017	INTRALOT BETTING OPERATIONS RUSSIA LTD	2012-2017
INTRALOT ASIA PACIFIC LTD	2017	INTRALOT DE COLOMBIA (BRANCH)	2013-2017
WHITE EAGLE INVESTMENTS LTD	2016-2017		

The tax audits were completed in Nederland B.V. for the period 2009, in Tecno Accion S.A. for the period 2014-2015, in Intralot Chile SPA for the year 2016 (with the possibility of re-auditing over the next three years), in Intralot Finance Luxembourg S.A. (which has been adsorbed by Intralot Capital Luxembourg S.A. for the years 2013 & 2016 (regarding VAT), in Royal Highgate Ltd for the period 2008-2012 where a tax liability occurred that was paid, plus interests and fines amounting to €110 thousand, in Intralot Jamaica Ltd the tax audit was partly completed for the period 2010-2012, while it was completed in Intralot Germany Gmbh for the period 2012-2015 and in AzerInteltek AS for the year 2017. Also in Gaming Solution International SAC the audit regarding the payment of dividends tax was completed. In Lotrom S.A. the audit initiated by the local tax authorities with respect to financial activities for transactions subject to VAT for the period 2004-2014 was completed in the fourth quarter of 2016. So far the conclusion report has not been yet notified to the company. Tax audit is in progress in Inteltek Internet AS for the period 2014-2015 and in Bilyoner İnteraktif Hizmetler A.Ş. for the period 2015-2016. Under the L.2238/94 Art. 82 par.5 of POL.1159/2011, the companies Betting Company S.A. and Intralot Interactive S.A. have received a tax certificate for the period 2013-2017, the company Intralot S.A. for the period 2014-2017 and the company Intralot Services S.A. for the period 2015-2017. In Intralot SA during the tax audit for the year 2011, were imposed taxes on accounting differences plus surcharges amounting to €3,9 million. The Company lodged an administrative appeal against the relevant control sheets resulting in a reduction of taxes of €3,34 million. The Company filed new appeals to the Greek Administrative Courts which did not justify the Company, which filed an appeal before the Council of State. The Company's management and its legal advisors consider that there is a significant probability that the appeal will thrive finally for the most part. The Company has formed sufficient provisions and has paid the whole amount of taxes. In

Intralot S.A. an audit order has been notified to the Company for the year 2013 and for a partial audit on VAT for the period 01/02/2010 -31/10/2012.

II) ASSOCIATE COMPANIES & JOINT VENTURES

COMPANY	YEARS
LOTRICH INFORMATION Co LTD	2017
INTRALOT SOUTH AFRICA LTD	2017
GOREWARD LTD	-
GOREWARD INVESTMENTS LTD	-
PRECIOUS SUCCESS LTD GROUP	2013-2017
GAIN ADVANCE GROUP LTD	-
OASIS RICH INTERNATIONAL LTD	-
WUSHENG COMPUTER TECHNOLOGY (SHANGHAI) CO LTD	-
UNICLIC LTD	2005-2017
DOWA LTD	2012-2017
GAMENET GROUP S.p.A.	2016-2017
GAMENET S.p.A.	2013-2017
INTRALOT ITALIA S.p.A	2013-2017
GAMENET ENTERTAINMENT S.R.L.	2013-2017

COMPANY	YEARS
EASY PLAY S.R.L.	2017
LA CHANCE S.R.L.	2016-2017
SLOT PLANET S.R.L.	2016-2017
GAMENET SCOMMESSE S.p.A. [2]	2013-2017
TOPPLAY S.R.L.	2013-2017
GNETWORK S.R.L.	2015-2017
BILLIONS ITALIA S.R.L.	2015-2017
JOLLY VIDEOGIOCHI S.R.L.	2013-2017
ROSILSPORT SRL	2013-2017
NEW MATIC S.R.L.	2013-2017
AGESOFT S.R.L.	2016-2017
KARENIA ENTERPRISES COMPANY LTD	2010-2017
INTRALOT DE PERU SAC	2015-2017
SERVICIOS TRANSDATA S.A. [1]	2012-2013

[1] The company Servicios Transdata SA have been merged with Intralot De Peru S.A.C.
[2] The company Gamenet Scommesse S.p.A. was merged with Gamenet S.p.A. on 1/1/2018.

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

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

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

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

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

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

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

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

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

COMMITMENTS

I) Operating lease payment commitments

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

	GROUP		COMPANY	
	30/9/2018	31/12/2017	30/9/2018	31/12/2017
Within 1 year	5.315	5.372	735	835
Between 2 and 5 years	7.447	5.598	1.782	2.057
Over 5 years	552	796	552	738
Total	**13.314**	**11.766**	**3.069**	**3.630**

II) Guarantees

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

	GROUP		COMPANY	
	30/9/2018	31/12/2017	30/9/2018	31/12/2017
Bid	8.641	8	2	8
Performance	174.792	172.255	31.816	34.814
Financing	3.843	9.794	120	6.800
Other	197	302	197	302
Total	**187.473**	**182.359**	**32.135**	**41.924**

	GROUP	
	30/9/2018	31/12/2017
Guarantees issued by the parent and affiliates:		
-to third party	187.473	182.335
-to third party on behalf of associates	0	24
Total	**187.473**	**182.359**

	COMPANY	
	30/9/2018	31/12/2017
Guarantees issued by the parent:		

- to third party on behalf of affiliates	31.206	38.406
- to third party on behalf of associates	0	24
- to third party on behalf of the parent	929	3.494
Total	**32.135**	**41.924**

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

III) Financial lease payment commitments

GROUP	Minimum of the lease payments 30/9/2018	Present value of the minimum lease payments 30/9/2018	Minimum of the lease payments 31/12/2017	Present value of the minimum lease payments 31/12/2017
Within 1 year	1.912	1.734	1.462	1.418
Between 2 and 5 years	2.219	2.213	1.397	1.389
Over 5 years	0	0	0	0
Minus: Interest	-184	0	-52	0
Total	**3.947**	**3.947**	**2.807**	**2.807**

The Company has no obligations under finance leases.

IV) Other commitments

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

GROUP	30/9/2018	31/12/2017
Within 1 year	2.234	2.875
Between 2 and 5 years	1.681	3.096
Over 5 years	0	0
Total	**3.915**	**5.971**

2.22 COMPARABLE FIGURES

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

2.23 APPLICATION OF IAS 29 “FINANCIAL REPORTING IN HYPERINFLATIONARY ECONOMIES”

The Group operates in Argentina through its two subsidiaries Techno Accion SA and Techno Accion Salta SA. Since the third quarter of 2018, the cumulative 3-year inflation index in Argentina has exceeded 100% and the country is now considered as a hyperinflationary economy for accounting purposes under IAS 29. The Group applied, for the first time in the nine months of 2018, IAS 29 and restated to current purchasing power in the financial statements (2018 transactions and non-cash balances) of the above subsidiaries that use ARS as functional currency and present their financial statements at historical cost. The restatement was made using the (IPIM) Internal Index Wholesale Prices and applied pursuant to IAS 29, as if Argentina has always been a hyperinflationary economy. The cumulative effect of the application of IAS 29 by 31/12/2017 was recorded as an adjustment to the opening balance of equity for the year 2018. In accordance with IAS 21, paragraph 43, the comparable Income Statement of the Group (1 / 1- 30/9/2017) has not been restated.

Below is an analysis of the cumulative effect (after the relevant consolidation eliminations) of the non-cash assets, liabilities and equity from the application of IAS 29 by 31/12/2017 (adjustment to the opening balance of equity for the year 2018):

Amounts in thousand €	GROUP 1/1/2018
ASSETS	
Tangible assets	1.781
Intangible assets	42
TOTAL ASSETS	**1.823**
EQUITY AND LIABILITITES	
Other reserves	626
Retained earnings	-33
Total equity attributable to shareholders of the parent	**593**
Non-controlling interest	593
Total equity	**1.186**
Deferred tax liabilities	637
Total long term liabilities	**637**
TOTAL LIABILITIES	**637**
TOTAL EQUITY AND LIABILITES	**1.823**

The result (after the relevant consolidation eliminations) from the restatement of the non-cash assets, liabilities and transactions of the nine month of 2018 following the application of IAS 29 amounted to a profit of €48 thousand and was recorded in the Income Statement (line "Gain/(loss) on net monetary position").

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

Statement of Financial Position:

	30/9/2018	31/12/2017	Change
EUR / ARS	47,99	22,39	114,3%

Income statement:

	AVG 1/1-30/9/2018	AVG 1/1-30/9/2017	Change
EUR / ARS	29,76	18,12	64,2%

2.24 SUBSEQUENT EVENTS

In October 2018, following a competitive process by the Croatian State Lottery "Hrvatska Lutrija," for the selection of a strong long-term strategical partner, INTRALOT is awarded a 10-year contract for the implementation of the new integrated Lotos10 ecosystem with the Omni Channel capability, the deployment of innovative Retail technology and the provision of operational support. All of the above will be customised to the specific needs and requirements of Hrvatska Lutrija and the Croatian gaming market, supporting the strategic and operational objectives for the extensive growth and future expansion of Hrvatska Lutrija in the verticals of Numerical & Instant Games, Betting and Online Casino. Hrvatska Lutrija is the state licensed lottery organization, with a long and successful tradition of 45 years in organizing games of chance in Croatia, offering full variety of gaming products, including the lotteries, instant lotteries, betting, casinos and slot clubs, participating also in the multijurisdictional lottery games, EuroJackpot. In 2017 Hrvatska Lutrija generated over €150 million in stakes. The chosen model of cooperation is a Gross Gaming Revenue share model where Croatian lottery and INTRALOT share investment cost, responsibility, risks, and ultimately profits according to a pre-negotiated split. Specifically, the agreement includes the deployment, customization and integration of INTRALOT's holistic and cross-channel Lottery Gaming Platform based on the L10 Product, the next generation of LOTOS platform, along with the terminal software for the operation of its 3.000 terminals, the Interactive Gaming Platform (based on the Player PULSE CRM-Platform) supporting all Hrvatska Lutrija gaming verticals, the innovative cross-channel Content Management System (based on the CANVAS Platform) and the Retailer Management System (based on the Retailer PULSE CRM-Platform), including full subset of the respective software components. INTRALOT will also provide the Lottery with dedicated training and knowledge transfer, as well as related system operation, software maintenance and supporting activities.

On October 19th, 2018 INTRALOT announced that its Group Chief Financial Officer Mr. George Koliastasis will step down on 31 December 2018. He will be succeeded by current Group Finance, Controlling & Budgeting Director Mr. Andreas Chrysos.

On October 30th, 2018 the New Mexico Lottery Board voted unanimously to move forward with the creation of a game tied to the outcome of sporting events (Sports Lottery) as well as to grant a 2-year extension on its existing online systems contact with INTRALOT. This move reflects the great long-term partnership and appreciation between the New Mexico Lottery and INTRALOT built for nearly 11 years now. The New Mexico Lottery will be the first Lottery in the United States to authorize a Sports wagering lottery game to be available through its entire retail network, approximately 1,100 retail terminals. Players will be able to make their selections from a wide menu of sporting events made available to them together with their possible outcomes (Parlay wagering game). Specifically, the agreement includes the deployment and customization of INTRALOT's holistic and cross-channel Sports Lottery Gaming Platform along with the terminal software for the operation of its 1,100 terminals. INTRALOT will also provide the Lottery with its suite of fully Managed Services related to the Sports Lottery game including Risk management and Trading services guaranteeing the payout of the game as well as product and marketing services (i.e. acquisition, retention, promotions). INTRALOT will also offer dedicated training to all of New Mexico's retail network and Lottery personnel, as well as related system operation, software maintenance and supporting activities.

On November 21, 2018, Inteltek, a business partnership of Turkcell and Intralot, capitalizing on 15 years of successful operation of the iddaa game, announces its plans for the creation of a global research and software development center in the area of mobile games in Turkey. In the first phase this center will employ 100 engineers. Through this investment Inteltek aims to leverage the talent of Turkish youth for the creation and export of technology and software internationally and contribute towards the transformation of Turkey into a global center of excellence for software development. The new venture is expected to have a significant impact in boosting Turkey's footprint and international competitiveness in a high demand industry.

Maroussi, 26 November 2018

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

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

INTRALOT S.A.

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

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

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

Financial Statements approval date:
November 26, 2018

Web site:
www.intralot.com

STATEMENT OF FINANCIAL POSITION GROUP / COMPANY

	GROUP		COMPANY	
	30/9/2018	31/12/2017	30/9/2018	31/12/2017
ASSETS				
Tangible Assets	116.227	102.793	15.250	15.794
Investment Property	0	0	0	0
Intangible Assets	319.739	324.508	95.968	93.729
Other Non-Current Assets	171.814	178.551	142.913	142.885
Inventories	48.817	31.482	16.318	18.839
Trade Receivables	62.042	84.191	38.748	47.218
Other Current Assets	210.628	300.339	73.187	79.133
TOTAL ASSETS	929.267	1.021.864	382.384	397.598
EQUITY AND LIABILITIES				
Share Capital	47.089	47.689	47.089	47.689
Other Equity Elements	-33.420	10.133	19.608	36.872
Shareholders Equity (a)	13.669	57.822	66.697	84.561
Non-Controlling Interest (b)	26.949	31.966	0	0
Total Shareholders Equity (c)=(a)+(b)	40.618	89.788	66.697	84.561
Long-term Debt	745.360	729.377	259.818	232.179
Provisions / Other Long term Liabilities	30.685	29.567	17.326	16.904
Short-term Debt	4.475	19.345	0	0
Other Short-term Liabilities	108.129	153.787	38.543	63.954
Total Liabilities (d)	888.649	932.076	315.687	313.037
TOTAL EQUITY AND LIABILITIES (c)+(d)	929.267	1.021.864	382.384	397.598

STATEMENT OF CHANGES IN EQUITY GROUP / COMPANY

	GROUP		COMPANY	
	30/9/2018	30/9/2017	30/9/2018	30/9/2017
Net equity at the beginning of the period (1/1/2018 and 1/1/2017 respectively) prior to the application of IFRS 9&15 and IAS 29	89.788	196.486	84.561	96.808
Effect from the application of IFRS 15[1]	-937	0	-333	0
Effect from the application of IFRS 9[1]	-5.738	0	-2.688	0
Effect from the application of IAS 29[1]	1.186	0	0	0
Net equity at the beginning of the period (1/1/2018 and 1/1/2017 respectively) after the application of IFRS 9 & 15 and IAS 29	84.299	196.486	81.540	96.808
Effect on retained earnings from previous years adjustments	-81	-6	0	0
Total comprehensive income / (expenses) for the year after tax (continuing and discontinued operations)	-4.254	-16.971	-6.255	-1.582
Dividends to equity holders of parent / non-controlling interest	-31.178	-36.707	0	0
New Consolidated Associate Entities	-10	0	0	0
Treasury shares repurchase/disposal	-8.588	-6	-8.588	-6
Associate companies stock options	72	0	0	0
Effect due to change in partcipation percentage	0	-15	0	0
Adjustment to net monetary position	358	0	0	0
Net Equity of the period Closing Balance (30/9/2018 and 30/9/2017 respectively)	40.618	142.781	66.697	95.220

[1] Relates to adjustment of the opening balance from the first application of IFRS 9 and IFRS 15 (note 2.1.4) and IAS 29 (note 2.23) of interim financial statements

CASH FLOW STATEMENT GROUP / COMPANY (total operations)

	GROUP		COMPANY	
	1/1-30/9/2018	1/1-30/9/2017	1/1-30/9/2018	1/1-30/9/2017
Operating Activities				
Profit/(loss) before Taxation (continuing operations)	46.330	24.997	-5.890	-5.937
Profit/(loss) before Taxation (discontinued operations)	0	695	0	0
Plus/Less adjustments for:				
Depreciation and Amortization	48.061	51.271	10.154	11.043
Provisions	1.219	2.605	1.501	156
Results(income, expenses, gain and loss)from Investing Activities	-11.762	19.890	-10.148	-12.336
Interest and similar expenses	38.228	44.522	12.408	12.847
Interest and similar income	-6.683	-5.296	-3.579	-2.469
(Gain) / loss on net monetary position	-48	0	0	0
Plus/Less adjustments of working capital to net cash or related to operating activities:				
Decrease/(increase) of Inventories	-18.513	-3.843	1.104	-756
Decrease/(increase) of Receivable Accounts	11.509	711	750	12.425
(Decrease)/increase of Payable Accounts (except Banks)	-27.340	9.704	-17.561	-4.811
Less:				
Income Tax Paid	20.709	24.781	0	3.061
Total inflows / (outflows) from Operating Activities (a)	60.292	120.475	-11.261	7.101
Investing Activities				
(Purchases)/Sales of subsidiaries, associates, joint ventures and other investments	-3.609	6.152	0	14.000
Purchases of tangible and intangible assets	-65.364	-59.536	-13.445	-10.664
Proceeds from sales of tangible and intangible assets	372	233	0	40
Interest received	4.089	3.990	666	7
Dividends received	7.555	1.992	9.952	15.109
Total inflows / (outflows) from Investing Activities (b)	-56.957	-47.169	-2.827	18.492
Financing Activities				
Treasury shares repurchase	-8.589	-6	-8.589	-6
Cash inflows from loans	60.266	571.819	15.000	0
Repayment of loans	-45.396	-234.186	0	-18.700
Bond buy backs	-5.004	0	0	0
Repayment of finance lease obligations	-4.227	-2.225	0	0
Interest and similar expenses paid	-47.960	-37.794	454	-2.127
Dividends paid	-31.475	-33.976	0	0
Total inflows/(outflows)from Financing Activities (c)	-82.385	263.632	6.865	-20.833
Net increase/(decrease) in cash and cash equivalents for the period (a)+(b)+(c)	-79.050	336.938	-7.223	4.760
Cash and cash equivalents at the beginning of the period	238.041	164.401	20.434	20.356
Net foreign exchange difference	-7.619	-11.362	-180	-270
Cash and cash equivalents at the end of the period from total operations	151.372	489.977	13.031	24.846

INCOME STATEMENT GROUP / COMPANY

	GROUP				COMPANY			
	1/1-30/9/2018	1/1-30/9/2017	1/7-30/9/2018	1/7-30/9/2017	1/1-30/9/2018	1/1-30/9/2017	1/7-30/9/2018	1/7-30/9/2017
Sale Proceeds	798.645	794.726	251.027	260.025	41.903	43.103	12.490	16.077
Less: Cost of Sales	-636.442	-631.382	-205.319	-205.077	-27.936	-28.435	-9.551	-11.329
Gross Profit / (Loss)	162.203	163.344	45.708	54.948	13.967	14.668	2.939	4.748
Other Operating Income	11.250	13.001	3.910	4.205	122	1.603	36	1.486
Selling Expenses	-43.899	-40.680	-12.073	-12.575	-6.461	-7.444	-2.195	-2.138
Administrative Expenses	-55.541	-55.297	-18.162	-17.999	-9.826	-10.307	-3.318	-3.467
Research and Development Expenses	-3.566	-4.865	-699	-2.139	-3.566	-4.865	-699	-2.139
Other Operating Expenses	-3.591	-2.141	-98	-346	-1.443	-1.550	-50	-10
EBIT	66.856	73.362	18.586	26.094	-7.207	-7.895	-3.287	-1.520
Income/(expenses) from participations and investments	2.570	1.017	-163	35	10.444	13.083	1.238	1.626
Gain/(loss) from assets disposal, impairment loss and write-off of assets	-246	-908	-74	11	0	-6	0	0
Interest and similar expenses	-38.228	-43.937	-12.805	-17.047	-12.408	-12.847	-4.417	-4.134
Interest and related income	6.683	4.797	3.246	1.476	3.579	2.469	1.757	864
Exchange differences	10.167	-5.976	6.564	-1.739	-298	-741	85	-256
Profit / (Loss) from equity method consolidations	-1.520	-3.358	-1.522	-1.346	0	0	0	0
Gain/(loss) on net monetary position	48	0	48	0	0	0	0	0
Profit / (Loss) before tax from continuing operations	46.330	24.997	13.880	7.484	-5.890	-5.937	-4.624	-3.420
Tax	-24.396	-19.800	-8.847	-4.727	-414	4.609	-275	2.066
Net Profit / (Loss) after tax from continuing operations	21.934	5.197	5.033	2.757	-6.304	-1.328	-4.899	-1.354
Net Profit / (Loss) after tax from discontinued operations	0	-2.412	0	2.987	0	0	0	0
Net Profit / (Loss) after tax (continuing and discontinued operations) (A)	21.934	2.785	5.033	5.744	-6.304	-1.328	-4.899	-1.354
Attributable to:								
- *Equity holders of parent*	-10.992	-32.008	-7.909	-6.207	-6.304	-1.328	-4.899	-1.354
- *Non-Controlling Interest*	32.926	34.793	12.942	11.951	0	0	0	0
Other comprehensive income / (expenses), after tax (B)	-26.188	-19.756	-20.104	-10.324	49	-254	-8	-53
Total comprehensive income / (expenses) after tax (A) + (B)	-4.254	-16.971	-15.071	-4.580	-6.255	-1.582	-4.907	-1.407
Attributable to:								
- *Equity holders of parent*	-28.888	-42.402	-23.135	-13.211	-6.255	-1.582	-4.907	-1.407
- *Non-Controlling Interest*	24.634	25.431	8.064	8.631	0	0	0	0
Earnings / (loss) after tax per share (in euro)								
- *Basic*	-0,0714	-0,2034	-0,0514	-0,0394	-0,0410	-0,0084	-0,0318	-0,0086
- *Diluted*	-0,0714	-0,2034	-0,0514	-0,0394	-0,0410	-0,0084	-0,0318	-0,0086
EBITDA	114.917	123.029	34.837	40.935	2.947	3.148	-98	1.743
Proposed dividend per share (in €)	0	0	0	0	0	0	0	0

Supplementary information:

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

2. The companies included in the consolidation of 30/9/2018 and not in the consolidation of 30/9/2017 due to subsequent acquisition/establishment are the following: Gardan Ltd and Intralot Benelux BV (subsidiary), as well as RosilSport S.r.l., Easy Play S.r.l. and Karenia Enterprises Company Limited (associates) (note 2.20.A of interim financial statements). During second quarter of 2017 the associate company Gamenet S.p.A. (20%) increased its stake in associate company Verve S.p.A to from 51% to 100%, while the associate company Gamenet Entertainment S.r.L. (20%) acquired by 60% the Italian company La Chance S.r.L. which owns 100% of the Italian company Slot Planet S.r.L.. During the fourth quarter of 2017 the group acquired an additional stake of 61% in the associate company BtB Ltd increasing its share to 100% and also acquired through its subsidiary Intralot Global Holdings BV the 100% of Gardan Ltd. Also during last quarter of 2017 the associate company Jolly Videogiochi S.R.L (14%) acquired by 75% the Italian company RosilSport S.R.L. and the associate company Gamenet Entertainment S.R.L. (20%) acquired by 51% the Italian company Easy Play S.R.L.. On March 2018 the subsidiary Intralot Capital Luxemburg S.A. absorbed its 100% subsidiary Intralot Finance Luxemburg S.A.. At 1/1/2018 the associate company Gamenet S.p.A. (20%) absorbed its 100% subsidiary Gamenet Scommesse S.p.A.. On 24/7/2018 with accounting and taxation implementation as of 1/1/2018, the associate company La Chance S.R.L. (12%) absorbed its 100% subsidiary Slot Planet S.R.L.. In August 2018 the Group increased its participation rate in subsidiary Totolotek S.A. from 96,13% to 99,27% and on September 2018 the Group established the subsidiary Intralot Benelux B.V. (100%). The entities Atropos S.A., Nafirol S.A., Gaming Solutions International Ltda, Loteria Moldovei S.A., Lebanese Games S.A.L, Intralot Hong Kong Holdings Ltd, Poldin Ltd and Gain Advance Group LTD are in the process of liquidation. The Group completed the liquidation and strike off of its associate, Veneta Servizi S.R.L. in December 2017, and its subsidiaries Intralot Latin America Inc (May 2018) and Intralot Dominicana S.A. (June 2018). The management of subsidiary Inteltek Internet AS (45%), parent of Azerinteltek AS, decided in mid-February 2018 to investigate the possibility of selling its (51%) stake in Azerinteltek AS. At the end of October 2018, management of Inteltek Internet AS decided to sell 51% of AzerInteltek AS (nominal value 51.000 AZN) to Baltech Investment LLC, that holds 24,5% of Azerinteltek AS share capital. On 15/11/2018 the final share purchase agreement (SPA) was signed for a total consideration of approximately €19,5 million. The transfer of shares is anticipated to be completed within 6 months (note 2.20.A.VII of interim financial statements).

3. On July 24, 2018, the associate entity Gamenet Group S.p.A. (20%) announced that signed a binding contract for the acquisition of 100% of the share capital of GoldBet S.r.l. ("GoldBet"), an authorized gaming and betting company in Italy, that operates a retail network of 990 betting shops rights and holds the concession to collect online games and bets, including via mobile platforms. On October 9, 2018, announced that completed the acquisition GoldBet, (which, on the same day, was transformed into GoldBet S.p.A.). GoldBet ended 2017 with EBITDA of €41 million, EBIT €35 million, Net Income of €23 million and generated an EBITDA for the period of 12 months ended June 30, 2018 of €54 million. The purchase price of the acquisition was equal to approximately €273 million. Of this amount, approximately Euro 247 million, net of certain costs incurred by the seller, was paid in cash on the closing date, with the remaining €25 million to be paid subsequently, as a deferred price component over a medium term period, subject to the fulfilment of certain conditions provided for in the acquisition agreement. The acquisition will allow Gamenet Group to assume a leading position in Italy in the multi-concession gaming sector, in particular in the sports betting sector, and to significantly increase the degree of diversification of its product portfolio and profitability, at EBITDA, EBIT and net profit levels. The Closing was subject to the occurrence of the usual conditions precedent for this type of transaction, including the prior approval of the Italian Competition Authority, which was received on September 17, 2018 and the authorization of the Customs and Monopolies Agency, which was received on August 2, 2018 (note 2.20.A.III of interim financial statements).

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

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

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

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

8. The Group's provisions at 30/9/2018 that refer to legal issues amount to €4,7 million, those referring to unaudited tax periods and tax audit expenses amount to €3,1 million and €5,2 million refer to other provisions. The respective amounts for the Company amount to €4,7 million (legal issues), €3,1 million (provisions for unaudited tax years and tax audit expenses) and €0,1 million (other provisions) (note 2.20.C & 2.21 of interim financial statements).

9. The number of employees of the Group on 30/9/2018 amounted to 5.112 persons (Company/subsidiaries 3.066 and associates 2.046) and the Company's to 696 persons. Respectively on 30/9/2017 the number of employees of the Group amounted to 5.368 persons (Company/subsidiaries 3.410 and associates 1.958) and the Company 728 persons. At the end of 2017 fiscal year the number of employees of the Group amounted to 5.149 persons (Company/subsidiaries 3.132 and associates 2.017) and the Company 735 persons.

10. Companies that are included in 30/9/2018 consolidated financial statements are presented in note 2.20.A.I & II of the interim financial statements including locations, group percentage ownership and consolidation method.

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

12. The amounts of other comprehensive expense/income included directly in the Group's comprehensive income statement as at 30/9/2018 of €-26,2 million (2017: €-19,8 million) concern: foreign exchange differences of €-28,3 million (2017 : €-19,8 million), €18k (2017: €0k) concerns the valuation of derivatives, €2,2 million (2017: €-42k) concerns valuation of financial assets measured at fair value through other comprehensive income, while amount €-124k (2017: €68k) concerns defined benefit plans revaluation. Accordingly, the amounts of expense/income recorded in the comprehensive income statement as at 30/9/2018 for the Company, amounted to €49k (2017: €-254k) refer to: valuation of financial assets measured at fair value through other comprehensive income €31k (2017: €-254k) and derivatives valuation €18k (2017: €0k).

13. On 30/9/2018 the Company held 9.200.033 treasury shares with a total acquisition cost of € 8.528 k (note 2.15 of the interim financial statements).

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

15. Significant events after the end of the reporting period and up to the release date of the financial results are stated in the note 2.24 of the interim financial statements.

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

	GROUP	COMPANY
a) Income		
-from subsidiaries	0	26.110
-from associates	4.673	5.491
-from other related parties	5.644	3.695
b) Expenses		
-to subsidiaries	0	15.270
-to associates	31	10
-to other related parties	6.975	3.626
c) Receivables		
-from subsidiaries	0	72.225
-from associates	10.256	6.694
-from other related parties	11.654	8.739
d) Payables		
-to subsidiaries	0	281.367
-to associates	1	0
-to other related parties	4.311	3.071
e) BoD and Key Management Personnel transactions and fees	5.468	3.237
f) BoD and Key Management Personnel receivables	0	0
g) BoD and Key Management Personnel payables	181	0

Maroussi, November 26, 2018

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