



INTRALOT S.A.

INTEGRATED LOTTERY SYSTEMS AND SERVICES

Company's Number in the General Electronic Commercial Registry: 818201000 - (Public Companies (S.A.) Reg. No.: 27074/06/B/92/9)

Company Domicile: 64 Kifissias Av. & 3 Premetis Str., Maroussi 15125

Figures and information for the period from 1st January 2017 to 31st December 2017

According to the article 135 of C.L. 2190/1920, for Companies preparing annual consolidated and single financial statements in accordance with IAS/IFRS
Amounts in C'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 website where the Financial Statements according to IFRS are posted, accompanied by the Auditor's Report where appropriate.

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

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

Board of Directors:
Chairman: Socrates P. Kokkalis
Vice-Chairman: Constantinos G. Antonopoulos **
CEO: Antonios I. Kerastaris
Member: Konstantinos S. Kokkalis **
Member: Dimitrios C. Klonis **
Member: Petros C. Souretis **
Member: Sotirios N. Filos *
Member: Anastasios M. Tsoufidis *
Member: Ioannis P. Tsoukaridis *

Financial Statements approval date:
March 28, 2018

Web site:
www.intralot.com

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

Type of auditor's audit report:
Unqualified opinion

*Independent Non executive directors
**Non executive directors

	GROUP		COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
ASSETS				
Tangible Assets	102.793	126.962	15.794	15.391
Investment Property	0	6.038	0	0
Intangible Assets	324.508	329.582	93.729	90.044
Other Non-Current Assets	178.551	231.874	142.885	157.367
Inventories	31.482	32.250	18.839	18.888
Trade Receivables	84.191	84.792	47.218	55.007
Other Current Assets	300.339	249.588	79.133	93.359
TOTAL ASSETS	1,021,864	1,061,086	397,598	430,056
EQUITY AND LIABILITIES				
Share Capital	47.689	47.689	47.689	47.689
Other Equity Elements	10.133	79.853	36.872	49.119
Shareholders Equity (a)	57,822	127,542	84,561	96,808
Non-Controlling Interest (b)	31.966	69.244	0	0
Total Shareholders Equity (c)=(a)+(b)	89,788	196,486	84,561	96,808
Long-term Debt	729.377	644.576	232.179	237.348
Provisions / Other Long term Liabilities	29.567	49.580	16.904	20.032
Short-term Debt	19.345	14.733	0	0
Other Short-term Liabilities	153.787	155.711	63.954	75.868
Total Liabilities (d)	932,076	864,600	313,037	333,248
TOTAL EQUITY AND LIABILITIES (c)+(d)	1,021,864	1,061,086	397,598	430,056

	GROUP		COMPANY	
	1/1-31/12/2017	1/1-31/12/2016	1/1-31/12/2017	1/1-31/12/2016
Operating Activities				
Profit/(loss) before Taxation (continuing operations)	10.315	-7.539	-12.012	9.410
Profit/(loss) before Taxation (discontinued operations)	15.096	96.820	0	0
Plus/ Less				
Depreciation and Amortization	64.554	86.873	13.366	11.565
Provisions	5.673	25.402	4.125	11.129
Results/(income, expenses, gain and loss)/from Investing Activities	29.402	-88.875	-6.549	-45.385
Interest and similar expenses	70.605	88.825	17.212	19.878
Interest and similar income	-7.637	-11.952	-3.254	-3.636
Plus/ Less adjustments of working capital to net cash or related to operating activities:				
Decrease/(increase) of Inventories	-5.072	2.756	-1.207	-980
Decrease/(increase) of Receivable Accounts	-13.718	-9.160	4.228	7.964
Decrease/(increase) of Payable Accounts (except Banks)	20.961	11.156	-5.544	4.275
Less:				
Income Tax Paid	36.148	26.204	7.646	0
Total inflows / (outflows) from Operating Activities (a)	154,031	168,102	2,719	14,220
Investing Activities				
(Purchases)/Sales of subsidiaries, associates, joint ventures and other investments	18.342	4.499	14.000	42.611
Purchases of tangible and intangible assets	-74.281	-65.420	-15.518	-18.464
Proceeds from sales of tangible and intangible assets	513	2.566	120	13
Interest received	6.762	7.741	1.470	1.179
Dividends received	2.377	1.011	18.670	9.272
Total inflows / (outflows) from Investing Activities (b)	-46,287	-49,603	18,742	34,611
Financing Activities				
Subsidiary's capital return	0	-3.292	0	1.245
Treasury shares repurchase	-440	-1.219	-440	-1.219
Cash inflows from loans	587.295	303.836	0	10.000
Repayment of loans	-509.527	-388.416	-18.700	-68.957
Bond buy backs	0	-3.742	0	0
Repayment of finance lease obligations	-3.215	-6.833	0	0
Interest and similar expenses paid	-51.761	-83.492	-1.812	-5.397
Dividends paid	-38.621	-42.161	0	0
Total inflows/(outflows) from Financing Activities (c)	-16,769	-225,319	-20,952	-64,328
Net increase/(decrease) in cash and cash equivalents for the period (a)+(b)+(c)	91,475	-106,820	509	-15,497
Cash and cash equivalents at the beginning of the period	164,401	276,609	20,356	35,859
Net foreign exchange difference	-17.835	-5.388	-431	-6
Cash and cash equivalents at the end of the period from total operations	238,041	164,401	20,434	20,356

	GROUP		COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Net equity at the beginning of the period (1/1/2017 and 1/1/2016 respectively)	196,486	207,382	96,808	100,258
Effect on retained earnings from previous years adjustments	-56	-5	0	0
Total comprehensive income / (expenses) for the year after tax (continuing and discontinued operations)	-33.463	36.120	-11.812	-2.231
Dividends to equity holders of parent / non-controlling interest	-44.895	-43.548	0	0
Subsidiary share capital return	0	-3.292	0	0
New Consolidated Entities	0	1.048	0	0
Treasury shares repurchase/disposal	-435	-1.219	-435	-1.219
Subsidiary Disposal/Liquidation	-27.834	0	0	0
Effect due to change in participation percentage	-15	0	0	0
Net Equity of the period Closing Balance (31/12/2017 and 31/12/2016 respectively)	89,788	196,486	84,561	96,808

	GROUP				COMPANY			
	1/1-31/12/2017	1/1-31/12/2016	1/10-31/12/2017	1/10-31/12/2016	1/1-31/12/2017	1/1-31/12/2016	1/10-31/12/2017	1/10-31/12/2016
Sale Proceeds	1.104.197	991.545	309.471	278.656	66.834	65.547	23.731	18.261
Less: Cost of Sales	-862.328	-787.688	-230.946	-220.608	-38.716	-44.853	-10.281	-9.810
Gross Profit / (Loss)	241.869	203.857	78.525	58.048	28.118	20.694	13.450	8.451
Other Operating Income	17.168	32.495	4.167	18.158	1.993	14.673	390	169
Selling Expenses	-60.966	-51.869	-20.286	-15.254	-9.606	-10.278	-2.162	-2.713
Administrative Expenses	-76.341	-73.779	-20.514	-14.425	-14.425	-15.477	-4.118	-5.877
Research and Development Expenses	-6.147	-4.642	-1.281	-566	-6.147	-4.642	-1.281	-566
Other Operating Expenses	-7.025	-9.503	-4.885	-8.344	-4.536	-17.030	-2.987	-4.675
EBIT	108.558	96.559	35.196	31.529	-4.603	-12.060	3.292	-5.211
Income/(expenses) from participations and investments	-24.064	-17.465	-25.081	-15.390	7.136	45.921	-5.946	35.092
Gain/(loss) from assets disposal, impairment loss and write-off of assets	-2.017	-9.228	-1.109	-7.429	-2	-7.667	4	-7.672
Interest and similar expenses	-70.019	-87.170	-26.082	-32.563	-17.208	-19.878	-4.361	-5.368
Interest and related income	7.139	11.303	2.342	3.717	3.254	3.636	785	1.563
Exchange differences	-5.870	3.037	105	4.579	-589	-542	151	-473
Profit / (Loss) from equity method consolidations	-3.412	-4.575	-54	-1.971	0	0	0	0
Profit / (Loss) before tax from continuing operations	10.315	-7.539	-14.683	-17.528	-12.012	9.410	-6.075	17.931
Tax	-28.306	-28.967	-8.506	-9.819	562	-9.850	-4.047	-11.439
Net Profit / (Loss) after tax from continuing operations	-17.991	-36.506	-23.189	-27.347	-11.450	-440	-10.122	6.492
Net Profit / (Loss) after tax from discontinued operations	11.970	81.371	14.383	39.805	0	0	0	0
Net Profit / (Loss) after tax (continuing and discontinued operations) (A)	-6.021	44.865	-8.806	12.458	-11.450	-440	-10.122	6.492
Attributable to:								
- Equity holders of parent	-53.386	930	-21.378	-876	-11.450	-440	-10.122	6.492
- Non-Controlling Interest	47.365	43.935	12.572	13.334	0	0	0	0
Other comprehensive income / (expenses), after tax (B)	-27.442	-8.745	-7.685	1.904	-362	-1.791	-108	-1.817
Total comprehensive income / (expenses) after tax (A) + (B)	-33.463	36.120	-16.491	14.362	-11.812	-2.231	-10.230	4.675
Attributable to:								
- Equity holders of parent	-69.304	-3.562	-26.901	844	-11.812	-2.231	-10.230	4.675
- Non-Controlling Interest	35.841	39.682	10.410	13.518	0	0	0	0
Earnings / (loss) after tax per share (in euro)								
- Basic	-0.3393	0.0059	-0.1359	-0.0055	-0.0728	-0.0028	-0.0643	0.0410
- Diluted	-0.3393	0.0059	-0.1359	-0.0055	-0.0728	-0.0028	-0.0643	0.0410
EBITDA	171.466	162.506	48.437	48.370	8.763	-495	5.615	-2.220
Proposed dividend per share (in €)	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00

Supplementary information:

- The same accounting policies have been followed as the year-end consolidated financial statements 31/12/2016 except for the changes resulting from the adoption of new or revised accounting standards and interpretations as mentioned in note 2.1.4 of the annual financial statements.
- The companies included in the consolidation of 31/12/2017 and not in the consolidation of 31/12/2016 due to subsequent acquisition/establishment are the following: Intralot Italian Investments B.V. and Gardan Ltd (subsidiaries), as well as La Chance S.r.l., Slot Planet S.r.l. and RosiSport S.r.l. (associates) (note 2.32.A of annual financial statements). During 2017 the Group proceeded to the establishment of its subsidiary Intralot Italian Investments B.V. (100%). During 2017, the Group acquired an additional stake of 4,06% of ordinary shares with voting rights of the subsidiary company Intralot Interactive S.A., increasing its stake to 100%. In 2017, the Group acquired an additional stake of 61% of the associate company Bit8 (consideration price €6,2m), increasing its stake to 100%, while the associate company Gamnet S.p.A. (20%) increased its stake in Verve S.p.A. to 100% from 51%. In 2017 the Group acquired through its subsidiary Intralot Global Holdings BV the 100% of Gardan Ltd (the consideration price was €2,9 m). During 2017 the associate company Gamnet Entertainment S.r.l. (20%) acquired its 100% subsidiary company La Chance S.r.l., which owns 100% of the Italian company Slot Planet S.r.l. associate company Jolly Videogiochi S.r.l. (14%) acquired by 75% the Italian company RosiSport S.r.l. and the associate company Intralot Holding & Services S.p.A. (20%) acquired 2% of Intralot Gaming Machines S.p.A. previously held by Gamnet S.p.A. In 2017 the associate company Gamnet S.p.A. (20%) absorbed its 100% subsidiaries, Intralot Holding & Services S.p.A. and Intralot Gaming Machines, S.p.A., associate company Gamnet Entertainment S.r.l. (20%) absorbed its 100% subsidiary Gamnet S.r.l., associate company Gamnet Entertainment S.r.l. (20%) absorbed Verve S.p.A. which is 100% subsidiary of the associate company Gamnet S.p.A. (20%) and the associate company Gamnet S.p.A. (20%) absorbed its 100% subsidiary Gamnet Retting S.r.l. In 2017 the shareholder's meeting of the associate company Gamnet S.p.A. (20%) approved the absorption of its 100% subsidiary Gamnet S.p.A. (20%) that was finalized on 1/1/2018. On February 2018 the subsidiary Intralot Capital Luxembourg S.A. absorbed its 100% subsidiary Intralot Finance Luxembourg S.A. The entities Atropos S.A., Nafrol S.A., Intralot Dominicana S.A., Gaming Solutions International Ltd, Loteria Moldovei S.A., Intralot Latin America Inc and Gain Advance Group LTD are in the process of liquidation. During 2017, the Group completed the liquidation and strike off of the subsidiaries Intralot Argentina S.A. and Caribbean VLT Services Ltd.
- On 25/6/2016 the Group announced that it has signed an agreement, with Trilantic Capital Partners Europe, the main shareholder of Gamnet S.p.A. ("Gamnet") in Italy, concerning the merge of the Group activities in Italy (subsidiaries Intralot Holding & Services S.p.A., Intralot Gaming Machines S.p.A., Intralot Italia S.p.A. and Veneta Servizi Srl) into those of Gamnet, one of the largest network concessionaires of VLT, AWP, betting and online gaming in the country. This announcement was made following the announcement of the signing of a Memorandum of Understanding (MoU) on 21/3/2016. Following the completion of the agreement on 27/6/2016 and the approval of the competent Competition Authority, the Group now controls 20% of the combined operation (Gamnet Group S.p.A. - note 2.32.A.VIII.A of the annual financial statements), with a network of approximately 750 betting POS, that will continue to use INTRALOT's brand name, approximately 8.200 VLTs, over 50.000 AWPs and more than 60 gaming halls owned by the company. Since 31/3/2016 the above activities of the Group subsidiaries in Italy were classified as assets held for sale and discontinued operations (note 2.32.A.VIII.A of the annual financial statements). Since the end of June 2016, the Group consolidates 20% of the combined activity (Gamnet Group S.p.A.) with the equity method.
- On 26/5/2016 the Group announced that it has reached an agreement with Nexus Group to sell 80% of Intralot de Peru S.A.C., its 100% owned subsidiary in Peru. After the completion of the transaction on 24/11/2016 the Group will continue to be the company's technological provider and will hold a 20% participation in Intralot de Peru S.A.C.'s share capital while NG Entertainment Peru S.A.C. 80%. Intralot de Peru S.A.C. operates numerical games and sports betting in the country through a network of 3.700 POS and the Internet. The agreement is in line with the Group's strategy to create, in selected countries, strategic partnerships with strong local partners that offer substantial synergies and local market know-how, strengthening the development of the local companies. Since 30/6/2016 the above activities of the Group in Peru were classified as assets held for sale and discontinued operations (note 2.32.A.VIII.B of annual financial statements). The consideration price for the disposal of Intralot de Peru S.A.C. amounted to €64,7 million and paid in November 2016.
- 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 2.32.A.VIII.C of annual financial statements). The consideration price for the disposal of Favorit Bookmakers Office OOO amounted to €3,5 million and paid within 2017.
- 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 2.32.A.VIII.D of annual financial statements).
- 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 2.32.A.VIII.E of annual financial statements).
- On April 2016, the Group announced the acquisition, through its Bulgarian subsidiary Bilot Investment Ltd, of a strategic stake in Eurobet Ltd a leading gaming company in Bulgaria. The Group acquired a 49% stake in Eurobet Ltd, a company that offers to the Bulgarian market numerical games and scratch tickets through a network of 1.100 POS countrywide. The Group already has a strong presence in Bulgaria, holding since 2002 a 49% share of Eurofootball Ltd, a company that offers Fixed Odds and Live Betting through a network of 850 shops. The cost of the transaction amounts to €19,5 million. The EV/EBITDA ratio for the acquisition of the share amounted to approximately 5x. The acquisition was completed in early July 2016, after approval by the Competition Protection Commission. The Eurobet Group (Eurobet Ltd, Eurobet Trading Ltd & ICS SA) is consolidated since July 2016 with the full consolidation method (note 2.32.A.III.A of annual financial statements).
- The Group's provisions at 31/12/2017 that refer to legal issues amount to €4,6 million, those referring to unaudited tax periods and tax audit expenses amount to €3,1 million and €6,2 million refer to other provisions. The respective amounts for the Company amount to €4,5 million (legal issues), €3,1 million (provisions for unaudited tax years and tax audit expenses) and €0,1 million (other provisions) (note 2