



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 Premeti's Str., Maroussi 15125
 Figures and information for the period from 1st January 2018 to 30th June 2018
 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 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.M.I.

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

Financial Statements approval date:
 August 30, 2018

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

Web site:
 www.intralot.com

Type of auditor's audit report:
 Unqualified opinion

STATEMENT OF FINANCIAL POSITION GROUP / COMPANY	GROUP		COMPANY	
	30/6/2018	31/12/2017	30/6/2018	31/12/2017
ASSETS				
Tangible Assets	105.806	102.793	15.415	15.794
Investment Property	0	0	0	0
Intangible Assets	328.146	324.508	94.641	93.729
Other Non-Current Assets	179.084	178.551	142.872	142.885
Inventories	45.114	31.482	20.266	18.839
Trade Receivables	74.231	84.191	40.593	47.218
Other Current Assets	254.740	300.339	77.476	79.133
TOTAL ASSETS	987.121	1.021.864	391.263	397.598
EQUITY AND LIABILITIES				
Share Capital	47.089	47.089	47.089	47.089
Other Equity Elements	-7.387	10.133	27.580	36.822
Shareholders Equity (a)	39.692	57.222	74.669	84.561
Non-Controlling Interest (b)	21.800	31.966	0	0
Total Shareholders Equity (c)=(a)+(b)	61.492	89.188	74.669	84.561
Long-term Debt	742.663	729.377	255.395	232.179
Provisions / Other Long term Liabilities	32.331	29.567	16.851	16.904
Short-term Debt	24.723	19.345	0	0
Other Short-term Liabilities	125.912	153.787	44.348	63.954
Total Liabilities (d)	925.629	932.076	316.594	313.037
TOTAL EQUITY AND LIABILITIES (c)+(d)	987.121	1.021.864	391.263	397.598

CASH FLOW STATEMENT GROUP / COMPANY (total operations)	GROUP		COMPANY	
	1/1-30/6/2018	1/1-30/6/2017	1/1-30/6/2018	1/1-30/6/2017
Operating Activities				
Profit/(loss) before Taxation (continuing operations)	32.451	17.513	-1.267	-2.516
Profit/(loss) before Taxation (discontinued operations)	0	-2.966	0	0
Plus/Less adjustments for:				
Depreciation and Amortization	31.810	35.788	6.965	7.780
Provisions	909	2.323	1.440	1.529
Results(income, expenses, gain and loss)from Investing Activities	-6.085	16.872	-8.822	-10.966
Interest and similar expenses	25.423	27.222	7.991	8.713
Interest and similar income	-3.437	-3.623	-1.822	-1.605
Plus/Less adjustments of working capital to net cash or related to operating activities:				
Decrease/(increase) of Inventories	-11.465	-4.064	-18	-1.069
Decrease/(increase) of Receivable Accounts	-906	142	170	11.628
(Decrease)/increase of Payable Accounts (except Banks)	-18.124	3.698	-16.185	-6.625
Less:				
Income Tax Paid	13.898	15.699	0	481
Total inflows / (outflows) from Operating Activities (a)	36.678	77.206	-11.548	6.388
Investing Activities				
(Purchases)/Sales of subsidiaries, associates, joint ventures and other investments	-3.620	4.514	0	9.000
Purchases of tangible and intangible assets	-42.674	-41.369	-8.808	-8.461
Proceeds from sales of tangible and intangible assets	285	124	0	40
Interest received	4.080	2.622	489	0
Dividends received	6.810	1.832	8.572	13.425
Total inflows / (outflows) from Investing Activities (b)	-35.119	-32.277	253	14.004
Financing Activities				
Treasury shares repurchase	-5.523	-6	-5.523	-6
Cash inflows from loans	52.585	52.550	15.000	0
Repayment of loans	-28.795	-53.216	0	-13.900
Bond buy backs	-5.004	0	0	0
Repayment of finance lease obligations	-2.888	-923	0	0
Interest and similar expenses paid	-25.091	-25.407	850	-2.138
Dividends paid	-27.752	-27.497	0	0
Total inflows/(outflows)from Financing Activities (c)	-42.468	-54.499	10.327	-16.044
Net increase/(decrease) in cash and cash equivalents for the period (a)+(b)+(c)	-40.909	-9.570	-968	4.348
Cash and cash equivalents at the beginning of the period	238.041	164.401	20.434	20.356
Net foreign exchange difference	-2.281	-7.622	-135	-227
Cash and cash equivalents at the end of the period from total operations	194.851	147.209	19.331	24.477

STATEMENT OF CHANGES IN EQUITY GROUP / COMPANY	GROUP		COMPANY	
	30/6/2018	30/6/2017	30/6/2018	30/6/2017
Net equity at the beginning of the period (1/1/2018 and 1/1/2017 respectively) prior to the application of IFRS 9 & 15	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
Net equity at the beginning of the period (1/1/2018 and 1/1/2017 respectively) after the application of IFRS 9 & 15	83.113	196.486	81.540	96.808
Effect on retained earnings from previous years adjustments	-81	-96	0	0
Total comprehensive income / (expenses) for the year after tax (continuing and discontinued operations)	10.818	-12.393	-1.348	-175
Dividends to equity holders of parent / non-controlling interest	-26.828	-30.999	0	0
New Consolidated Entities	-10	0	0	0
Treasury shares repurchase/disposal	-5.523	-6	-5.523	-6
Associate companies stock options	3	0	0	0
Effect due to change in participation percentage	0	-15	0	0
Net Equity of the period Closing Balance (30/6/2018 and 30/6/2017 respectively)	61.492	152.977	74.669	96.627

¹ Relates to adjustment of the opening balance from the first application of IFRS 9 and IFRS 15 (note 2.1.4 of interim financial statement)

INCOME STATEMENT GROUP / COMPANY	GROUP				COMPANY			
	1/1-30/6/2018	1/1-30/6/2017	1/4-30/6/2018	1/4-30/6/2017	1/1-30/6/2018	1/1-30/6/2017	1/4-30/6/2018	1/4-30/6/2017
Sale Proceeds	547.618	534.701	266.952	265.742	29.414	27.026	14.913	12.890
Less: Cost of Sales	-431.123	-426.305	-211.237	-212.065	-18.386	-17.106	-8.659	-8.237
Gross Profit / (Loss)	116.495	108.396	55.715	53.677	11.028	9.920	6.254	4.653
Other Operating Income	7.341	8.795	3.819	0	86	117	37	71
Selling Expenses	-31.826	-28.106	-14.640	-14.447	-4.266	-5.306	-1.944	-2.531
Administrative Expenses	-37.379	-37.298	-19.101	-18.993	-6.508	-6.840	-3.327	-3.734
Research and Development Expenses	-2.866	-2.726	-1.376	-1.070	-2.866	-2.726	-1.376	-1.070
Other Operating Expenses	-3.495	-1.795	-3.063	-1.559	-1.394	-1.540	-1.127	-1.538
EBIT	48.270	47.266	21.354	22.207	-3.920	-6.375	-483	-4.149
Income/(expenses) from participations and investments	2.733	982	1.727	445	9.205	11.456	735	-441
Gain/(loss) from assets disposal, impairment loss and write-off of assets	-172	-919	-63	-864	0	-6	0	0
Interest and similar expenses	-25.423	-26.890	-12.463	-13.951	-7.991	-8.713	-4.122	-4.477
Interest and related income	3.437	3.321	1.564	1.629	1.822	1.605	1.202	870
Exchange differences	3.603	-4.235	6.264	-5.037	-383	-483	592	-281
Profit / (Loss) from equity method consolidations	3	-2.012	853	0	0	0	0	0
Profit / (Loss) before tax from continuing operations	32.451	17.513	19.236	3.590	-1.267	-2.516	-2.076	-8.478
Tax	-15.550	-15.073	-6.794	-5.318	-138	2.542	673	3.676
Net Profit / (Loss) after tax from continuing operations	16.901	2.440	12.442	-1.728	-1.405	26	-1.403	-4.802
Net Profit / (Loss) after tax from discontinued operations	0	-5.399	0	-8.371	0	0	0	0
Net Profit / (Loss) after tax (continuing and discontinued operations) (A)	16.901	-2.959	12.442	-10.099	-1.405	26	-1.403	-4.802
Attributable to:								
- Equity holders of parent	-3.083	-25.801	2.953	-20.330	-1.405	26	-1.403	-4.802
- Non-Controlling Interest	19.984	22.842	9.489	10.231	0	0	0	0
Other comprehensive income / (expenses), after tax (B)	-6.083	-9.434	3.282	-2.846	57	-201	36	-48
Total comprehensive income / (expenses) after tax (A) + (B)	10.818	-12.393	15.724	-12.945	-1.348	-175	-1.367	-4.850
Attributable to:								
- Equity holders of parent	-5.752	-29.193	7.905	-18.720	-1.348	-175	-1.367	-4.850
- Non-Controlling Interest	16.570	16.800	7.819	5.775	0	0	0	0
Earnings / (loss) after tax per share (in euro)								
- Basic	-0.0197	-0.1639	0.0189	-0.1292	-0.0090	0.0002	-0.0090	-0.0305
- Diluted	-0.0197	-0.1639	0.0189	-0.1292	-0.0090	0.0002	-0.0090	-0.0305
EBITDA	80.080	82.092	37.482	40.265	3.045	1.405	2.985	516
Proposed dividend per share (in €)	0	0	0	0	0	0	0	0

Supplementary information:

- 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.
- The companies included in the consolidation of 30/6/2018 and not in the consolidation of 30/6/2017 due to subsequent acquisition/establishment are the following: Gardan Ltd (subsidiary), as well as RosiSport S.r.l., Easy Play S.r.l. and Karia 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 Bit8 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 RosiSport 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 Luxembourg S.A. absorbed its 100% subsidiary Intralot Finance Luxembourg S.A.. At 1/1/2018 the associate company Gamenet S.p.A. (20%) absorbed its 100% subsidiary Gamenet Scromessa S.p.A. The entities Atropos S.A., Nafiro S.A., Gaming Solutions International Ltd, Loteria Moldovai S.A., Lebanese Games S.A.L, Intralot Hong Kong Holdings 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, parent of Azerintek AS, decided in mid-February to investigate the possibility of selling its 51% stake in Azerintek AS.
- On July 24, 2018, the associate entity Gamenet Group S.p.A. (20%) announced that its 100% subsidiary, Gamenet S.p.A. 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. GoldBet ended 2017 with EBITDA of €40 million, EBIT €34 million, Net Income of €23 million and estimates an EBITDA for the period of 12 months ended June 30, 2018 of approximately €50 million. The value of the Acquisition is €265 million (enterprise value), to be adjusted with the value of the net financial position, as defined in the contract, as of June 30, 2018 (the "Price"). Of this amount, €240 million, adjusted with the value of the net financial position referred to above, will be paid in cash on the date of completion of the Acquisition ("Closing"), expected by the end of the third and beginning of the fourth quarter of 2018, while €25 million will be paid subsequently, as deferred price components over a medium-term period, subject to the occurrence of certain conditions provided for in the acquisition contract. From the integration of GoldBet, significant cost synergies are envisaged, which are expected to reach, on an annual base, approximately €12-15 million in the period 18-24 months after the closing date, as well as significant synergies in terms of revenues, particularly virtual betting. The Closing is subject to the occurrence of the usual conditions precedent for this type of transactions, including the approval of the Competition Authority and the authorization of the Customs and Monopoles Agency. (note 2.20.A.III of interim financial statements).
- On January 2018 the Group completed - through its subsidiary INTRALOT Global Holdings BV - the acquisition of 50% of the Cypriot company "KARIA 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).
- 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.
- 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).
- 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).

- The Group's provisions at 30/6/2018 that refer to legal issues amount to €4.8 million, those referring to unaudited tax periods and tax audit expenses amount to €3.1 million and €5.1 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).
- The number of employees of the Group on 30/6/2018 amounted to 5.132 persons (Company/subsidiaries 3.054 and associates 2.078) and the Company's to 682 persons. Respectively on 30/6/2017 the number of employees of the Group amounted to 5.168 persons (Company/subsidiaries 3.288 and associates 1.880) and the Company 714 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.
- Companies that are included in 30/6/2018 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.
- 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.
- The amounts of other comprehensive expense/income included directly in the Group's comprehensive income statement as at 30/6/2018 of €-6.1 million (2017: €-9.4 million) concern: foreign exchange differences of €-8.4 million (2017: €-9.6 million), €66k (2017: €61k) concerns the valuation of derivatives, €2.3m (2017: €0.1 million) concerns valuation of financial assets measured at fair value through other comprehensive income, while amount €-93k (2017: €-3k) concerns defined benefit plans revaluation. Accordingly, the amounts of expense/income recorded in the comprehensive income statement as at 30/6/2018 for the Company, amounted to €57k (2017: €-201k) refer to valuation of financial assets measured at fair value through other comprehensive income €-9k (2017: €-262k) and derivatives valuation €66k (2017: €61k).
- On 30/6/2018 the Company held 5,425,664 treasury shares with a total acquisition cost of € 5,462 k (note 2.15 of the interim financial statements).
- 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.
- Significant events after the end of the reporting period and up to the release date of the financial results are stated in the note 2.23 of the interim financial statements.
- Transactions (including income, expenses, receivables, payables) with related parties, are as follows:

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