intralot

INTRALOT S.A.

INTEGRATED LOTTERY SYSTEMS AND SERVICES General Electronic Commercial Registry: 818201000 - (Public Companies (S.A.) Reg. No.: 27074/06/B/92/9) Company Domiclie: 64 Kifisias Av. & 3 H. Sabbagh/S. Khoury Str., Maroussi 15125 Figures and information for the period from 1st January 2019 to 30th June 2019 Company's Number in the General Electron

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 concern 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.

ments approval date jaust 30, 2019

ubsidiary disposal / liquidation

Adjustment to net monetary position Net Equity of the period Closing Balance (30/06/2019 and 30/06/2018 respectively)

Web site: www.intralot.com

Nikolaos Ioannou Reg.No/S.O.E.L 29301 Auditing firm S.O.L S.A Reg. No/S.O.E.L. 125 Grant Thornton Reg. No/S.O.E.L. 127

George A. Karamichalis Reg.No/S.O.E.L 15931

Certified Auditor:

Type of auditor's review report: Unqualified opinion

STATEMENT OF ETNANCIAL D	OSTITION CROU				CACH FLOW STATEMENT COOLD	COMPANY (her				
STATEMENT OF FINANCIAL POSITION GROUP / COMPANY GROUP COMPANY					CASH FLOW STATEMENT GROUP / COMPANY (total operations) GROUP COMPANY					
	30/6/2019	31/12/2018	30/6/2019	31/12/2018		1/1-30/06/2019	1/1-30/06/2018	1/1-30/06/2019	1/1-30/06/2018	
ASSETS					Operating Activities					
Tangible Assets	169.254	133.360	25.704	18.890	Profit/(loss) before Taxation (continuing operations)	2.044	23.300	-20.183	-1.267	
Investment Property	37	39	0	0	Profit/(loss) before Taxation (discontinued operations)	5.283	9.151	0	0	
Intangible Assets	280.141	302.332	86.104	90.810	Plus/Less adjustments for:					
Other Non-Current Assets	159.293	165.789	128.906	137.267	Depreciation and Amortization	40.832	31.810	9.601	6.965	
Inventories	39.725	45.583	18.766	14.831	Provisions	4.860	909	146	1.440	
Trade Receivables Other Current Assets	71.876	71.368	61.036	79.935	Results(income, expenses, gain and loss)from Investing Activities Interest and similar expenses	-17.929	-6.085	-5.257	-8.822	
TOTAL ASSETS	177.481 897.807	225.594 944.065	48.938 369.454	63.581 405.314	Interest and similar expenses	26.914	25.423	9.538	7.991	
TOTAL ASSETS	897.807	944.065	309.454	405.314		-3.463	-3.437	-2.030	-1.822	
					(Gain) / loss on net monetary position	-435	0	0	0	
EQUITY AND LIABILITIES					Plus/Less adjustments of working capital to net cash or related to					
Share Capital	47.089	47.089	47.089	47.089	operating activities:					
Other Eauity Elements	-63.154	-40.789	-10.115	9.793	Decrease/(increase) of Inventories	1.116		-405	-18	
Shareholders Equity (a)	-16.065	6.300	36.974	56.882	Decrease/(increase) of Receivable Accounts	3.147	-906	15.339	170	
Non-Controlling Interest (b)	11.788	28.145	0	0	(Decrease)/increase of Payable Accounts (except Banks)	-9.853	-18.124	-5.877	-16.185	
Total Shareholders Equity (c)=(a)+(b)	-4.277	34.445	36.974	56.882	Less:					
					Income Tax Paid	3.533	13.898	0	0	
Long-term Debt	748.125	737.094	278.729	286.380	Total inflows / (outflows) from Operating Activities (a)	<u>48.983</u>	36.678	872	<u>-11.548</u>	
Provisions / Other Long term Liabilities	26.218	26.221	17.054	16.625	Investing Activities					
Short-term Debt	32.971	40.655	635	0	(Purchases)/Sales of subsidiaries, associates, joint ventures and other investments	7,295	-3.620	2.328	0	
Other Short-term Liabilities	94.770	105.650	36.062	45.427						
Total Liabilities (d)	902.084	909.620	332.480	348.432	Purchases of tangible and intangible assets	-31.769	-42.674	-5.347	-8.808	
TOTAL EQUITY AND LIABILITIES (c)+(d)	897.807	944.065	369.454	405.314	Proceeds from sales of tangible and intangible assets	152	285	48	0	
					Interest received	3.014	4.080	1.094	489	
					Dividends received	8.274	6.810	11.213	8.572	
					Total inflows / (outflows) from Investing Activities (b)	<u>-13.034</u>	-35.119	9.336	253	
STATEMENT OF CHANGES IN EQUITY GROUP / COMPANY										
	G	ROUP	COMP	ANY	Financing Activities					
	30/6/2019	30/06/2018	30/6/2019	30/06/2018	Treasury shares repurchase	0	-5.523	0	-5.523	
					Cash inflows from loans	44.857	52.585	0	15.000	
Net equity at the beginning of the period (1/1/2019 and 1/1/2018	34,445	89.788	56.882	84.561	Repayment of loans	-53.746	-28.795	-14.600	0	
respectively) prior to the application of IFRS 9 & 15			50.002		Bond buy backs	0	-5.004	0	0	
Effect from the application of IFRS 15	0	-937	0	-333	Repayment of lease liabilities	-3.704	-2.888	-241	0	
Effect from the application of IFRS 9	0	-5.738	0	-2.688	Interest and similar expenses paid Dividends paid	-24.076	-25.091	-4.137	850	
Not equily at the beginning of the period (1 (1 (2010 and 1 (1 (2010						-33.028	-27.752	0	0	
Net equity at the beginning of the period (1/1/2019 and 1/1/2018 respectively) after the application of IFRS 9 & 15	34.445	83.113	56.882	81.540	Total inflows/(outflows)from Financing Activities (c)	-69.697	-42.468	-18.978	<u>10.327</u>	
Effect on retained earnings from previous years adjustments	24	-81	0	0						
Total comprehensive income / (expenses) for the year after tax (continuing and	-8.068	10.818	-19.908	-1.348	Net increase/(decrease) in cash and cash equivalents for the period	-33.748	-40.909	-8.770	-968	
discontinued operations)					(a)+(b)+(c)					
Dividends to equity holders of parent / non-controlling interest	-30.759	-26.828	0	0	Cash and cash equivalents at the beginning of the period	162.461	238.041	<u>33.146</u>	20.434	
New Consolidated Associate Entities	9	-10	0	0	11 - 1 - C					
Treasury shares repurchase/disposal	0	-5.523	0	-5.523	Net foreign exchange difference	<u>-1</u>	-2.281	-293	-135	
Associate companies stock options	131	3	0	0						
Effect due to change in partcipation percentage	0	0	0	0	Cash and cash equivalents at the end of the period from total operations	128.712	194.851	24.083	19.331	

74.669

	INCOME STATEMENT GROUP / COMPANY GROUP COMPANY								
		G	ROUP			COM	PANY		
	1/1-30/06/2019	1/1-30/06/2018	1/4-30/06/2019	1/4-30/06/2018	1/1-30/06/2019	1/1-30/06/2018	1/4-30/06/2019		
Sale Proceeds	378.071	409.061	185.372	198.339	18.659	29.414	9.896		
Less: Cost of Sales	-301.747	-318.548	-148.833	-154.643	-21.603	-18.386	-11.164		
Gross Profit / (Loss)	76.324	90.513	36.539	43.696	-2.944	11.028	-1.268		
Other Operating Income	9.881	7.094	4,980	3.751	309	86	48		
Selling Expenses	-21.180	-17.711	-10.358	-8.446	-4.876	-4.266	-2.253		
Administrative Expenses	-39,980	-35.128	-20.075	-17.958	-7.641	-6.508	-3.958		
Research and Development Expenses	-2.245	-2.866	-1.134	-1.376	-2.245	-2.866	-1.134		
Other Operating Expenses	-4.859	-3.467	-4.287	-3.069	-505	-1.394	-328		
EBIT	17.941	38.435	5.665	16.598	-17.902	-3.920	-8.893		
Income/(expenses) from participations and									
investments	2.833	2.733	2.825	1.727	5.661	9.205	1.903		
Gain/(loss) from assets disposal, impairment loss	-3.669	-169	-1.341	-61	-11	0	-11		
Interest and similar expenses	-26.831	-25.259	-13.627	-12.387	-9.538	-7.991	-4.707		
Interest and related income	3.462	3.321	1.291	1.508	2.030	1.822	1.044		
Exchange differences	4.370	4.236	636	6.763	-423	-383	-327		
Profit / (Loss) from equity method consolidations	3.503	3	1.925	853	0	0	0		
Gain/(loss) on net monetary position	435	0	205	0	ō	Ō	ō		
Profit / (Loss) before tax from continuing				15.004					
operations	2.044	23.300	-2.421	15.001	-20.183	-1.267	-10.991		
Tax	-12.157	-10.564	-6.232	-4.262	-1.009	-138	-804		
Net Profit / (Loss) after tax from continuing	10.112	10 706	0.653	10 720	24.402	-1.405	11 705		
operations	-10.113	12.736	-8.653	10.739	-21.192	-1.405	-11.795		
Net Profit / (Loss) after tax from discontinued									
operations	5.283	4.165	6.681	1.703	0	0	0		
Net Profit / (Loss) after tax (continuing and	4 020	16 001	1 072	12.442	21.102	1 405	11 705		
discontinued operations) (A)	-4.830	16.901	-1.972	12.442	<u>-21.192</u>	<u>-1.405</u>	<u>-11.795</u>		
Attributable to:									
 Equity holders of parent 	-21.979	-3.083	-9.782	2.953	-21.192	-1.405	-11.795		
- Non-Controlling Interest	17.149	19.984	7.810	9.489	0	0	0		
Other comprehensive income / (expenses),	-3.238	-6.083	-3.034	3.282	1.284	57	1.271		
after tax (B)									
Total comprehensive income / (expenses)	-8.068	10.818	-5.006	15.724	-19.908	-1.348	-10.524		
after tax (A) + (B)									
Attributable to:									
 Equity holders of parent 	-22.580	-5.752	-12.051	7.905	-19.908	-1.348	-10.524		
- Non-Controlling Interest	14.512	16.570	7.045	7.819	0	0	0		
Earnings / (loss) after tax per share (in euro)									
- Basic	-0,1487	-0,0197	-0,0662	0,0189	-0,1434	-0,0090	-0,0798		
- Diluted	-0,1487	-0,0197	-0,0662	0,0189	-0,1434	-0,0090	-0,0798		
EBITDA									
EDITUA	58.673	69.812	26.878	32.505	-8.301	3.045	-4.125		

Supplementary information: ounting policies have been followed as the year-end consolidated financial statements 31/12/2018 except for the changes resulting from the adoption of new or revised mentioned in note 2.1.4 of the interim financial statements

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<u>72</u> -4.277

61.492

36.974

mpanies included in the consolidation of 30/06/2019 and not in the consolidation of 30/06/2018 due to subs ing: Intralot Benelux BV (subsidiary) (note 2.20.A of interir financial statements). As at 1/1/2019, the associate company Intralot Italia S.p.A. (20%) absorbed GoldBet S.p.A. (100% subsidiary of Gamenet S.p.A.). As at 1/5/2019 the associate company Intralot Italia S.p.A was renamed to GoldBet S.p.A.. In January 2019 the associate company Gamenet Entertainment S.R.L. (20%) increased the percentage participation in La Chance S.R.L. to 100% through the acquisition of additional percentage from the non ing interest. In February 2019 the associate company Gamenet S.p.A. (20%) increased the percentage participation in Jolly Videogiochi S.R.L. to 84,9% by 70% through the acquisition of add controlling interest. 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. Gamenet Group S.p.A. consol for the first time Goldbet S.p.A. as at 1/10/2018 after the completion of the acquisition. Intralot Group consolidates for the first time in the financial statement of the first quarter of 2019 pursuant to IAS 28 paragraph 34. On vember of 2018 the subsidiary Eurofootball Ltd absorbed its 100% subsidiary Eurofootball Print Ltd. 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 Nafirol S.A., Loteria Moldovei S.A., Gameway Ltd, Intralot De Mexico Ltd, Intralot Services S.A., Intralot South Korea S.A., Intralot 000 and Gain Advance Group LTD are under liquidation process. The Group completed the liquidation and strike off of its subsidiaries Intralot Guatemala S.A. (January 2019), Gaming Solutions International Ltda (January 2019), Intralot Hong Kong Holdings Ltd (March 2019), Atropos S.A. (March 2019), Lebanese Games S.A.L. (May 2019), Poldin Ltd (May 2019), Loterias y Apuestas De Guatemala S.A. (June 2019) and Intralot Slovakia S.R.O. (June 2019).

May 2019 liquidation and strike off of the associate Topplay S.R.L. was completed. 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.I. ("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 acquisiti

GoldBet, (which, on the same day, was transformed into GoldBet S.D.A.). GoldBet ended 2017 with EBITDA of C41 million, EBIT C35 million, Net Income of C23 million and generated an EBITDA for the period of 12 months ended June 30, 2018 of C54 million. The purchase price of the acquisition was equal to approximately C273 million. Of this amount, approximately C242 million, net of certain costs incurred by the seller, was paid in cash on the closing date, with the remaining C31 million to be paid subsequently, as a defer 6. On July 23rd 2019, INTRALOT announced that its 100% subsidiary "INTRALOT Lotteries Limited" has signed a binding MOU with OPAP to transfer all of its shares in "Hellenic Lotteries S.A." (i.e. 511,500 shares or 16.5% of the total) to "OPAP Investment Limited", for a price of Euro Twenty Million (C20,000,000), i.e. C39.1006842619 pe share. In addition, according to the MOU, Hellenic Lotteries SA will sign with INTRALOT SA an amendment to the existing services provision agreement under renegotiated terms & conditions

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

The closure of the transaction is expected with the signing of the definitive Share Purchase Agreement upon completion of all regulatory and existing Shareholder Agreement requirements. (note 2.12 of interim financial statements). 7. The Group's provisions at 30/06/2019 that refer to legal issues amount to C4,5 million, those referring to unaudited tax periods and tax audit expenses) amount to C4,5 million (legal issues), C3,1 million (provisions for unaudited tax years and tax audit expenses) and C1,0 million (provisions for unaudited tax years and tax audit expenses) and C1,0 million (provisions for unaudited tax). The respective amounts for the Company amount to C4,5 million (legal issues), C3,1 million (provisions for unaudited tax years and tax audit expenses) and C0,1 million (durp provisions). The respective 2.20.C of interim financial statements). 8. The number of employees of the Group on 30/6/2019 amounted to 4.561 persons (Company/subsidiaries 3.054 and associates 2.178) and the Company (see persons. Respective) on 30/6/2018 the number of employees of the Group amounted to 5.132 persons (Company/subsidiaries 3.054 and associates 2.166) and the Company (691 persons. 9. Companies that are included in 30/06/2019 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. 10. 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 2.21.8.1 & II of the interim financial statements.

financial statements. 11. The amounts of other comprehensive expense/income included directly in the Group's comprehensive income statement as at 30/06/2019 of C-3,2 million (2018: C-6,1 million) concerns: foreign exchange differences of C-4,7 million (2018: C-8,4 million), C0k (2018: C66 k) concerns the valuation of derivatives, C1,5 million (2018: C-3,2 million) concerns valuation of financial assets measured at fair value through other comprehensive income, while amount C2k (2018: C-93k) concerns defined benefit plans revaluation. Accordingly, the amounts of expense/income recorded in the comprehensive income statement as at 30/06/2019 for the Company, amounted to C,1,3 million (2018: C5K) refer to: valuation of financial assets measured at fair value through other comprehensive income C1,3 million (2018: C-9k) and derivatives valuation C0k (2018: CFA)

2. On 30/06/2019 the Company held 9,200.033 treasury shares with a total acquisition cost of €8,528k (note 2.15 of the interim financial statements

edium term period, subject to the fulfillment of certain conditions provided for in the acquisition agree nent. The acquisition will allow Gamenet group to assume a leading po tion in Italy in the multi ncession gaming sector, in particular in the sports betting sector, and to significantly increase the ceodegree of diversification of its product portfolio and profitability, at EBITDA, EBIT and net profit levels. The Closing was subje 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 tonopolies Agency, which was received on August 2, 2018. The Group consolidated Goldbet for the first time as at 31/3/2019 in its financial statements pursuant to IAS 28 paragraph 34, as the preparation and approval deadlines nents of Gamenet Group S.p.A. are later than those of the Intralot Group. (note 2.20.A.III of interim financial statements).

4. The management of the subsidiary Inteltek Internet AS (45%), parent of Azerinteltek AS, decided in mid-February 2018 to investigate the possibility of selling its 51% stake in Azerinteltek AS. At the end of October 2018, Intel Internet AS's management decided to sell 51% of Azerinteltek AS shares (nominal value AZN51.000) to Baltech Investment LLC, which owns 24,5% of Azerinteltek AS's share capital. On 15/11/2018 the final Share Purchase Agreement (SPA) was signed for a total consideration of approximately C19,5 million. The transfer of these shares was completed at the end of 2018. As of 31/12/2018, the Group's above activities in Azerbaijan were classified as erations. The consideration price of Azerinteltek AS amounted to C19.530 thousand and was repaid in December 2018. (note 2.20.A.VIII.A of interim financial statements) 5. On March 26, 2019 INTRALOT Group announced that it has reached an agreement with Merkur Sportwetten GmbH, a subsidiary of the Gauselmann Group based in Espelkamp, Germany to take over the renowned sports betting company Totolotek SA - an INTRALOT subsidiary in Poland. The share purchase agreement has already been concluded and both parties are now awaiting merger clearance. With this acquisition, the German company will enter the Polish market and thus expand its presence in Europe. Soon Polish sports betting fans will be able to place their bets under the sign of the well-known MERKUR sun: Merkur Sportwetten GmbH. Totolotek has been firmly establishe in the Polish sports betting market for over 27 years and is one of the top three omnichannel betting companies in Poland. It markets its wide range of sports betting products through stationary trade at over 260 distribution point as well as online via its website and mobile app. Totolotek currently has 560 employees. Since, 31/3/2019 the Group's above activities in Poland were classified as assets held for sale and discontinued operations pursuant to IFRS 5 The transfer of Totolotek SA shares was completed at the end of April 2019 and the Group consolidated it by 30/4/2019. The final consideration for the disposal of Totolotek SA amounted to approximately C8,0 million, including th tigent consideration, in case of meeting certain terms and requirements within 2 years, amounting to approximately C1,8 million on a discounted basis (C2,0 million in future value). From the above c approximately €5,5 million was paid in the first six-months of 2019 and amount approximately €0,8 Million in July 2019. (note 2.20.A.VIII.B of interim financial statements)

equity, turnover and earnings after tax of the Group and the Company. In addition, when finalizing the analysis of the impact of the application of IFRS 15 at the end of 2018, the Group has decided to reclassify consideration (bonuses, marketing incentives, etc.) payable to customers, or customers of Group's customers when the Group operates as a Group has decided to reclassify consideration (bonuses, marketing incentives, etc.) payable to customers, or customers of Group's agent, from "Cost of Sales" and "Selling Expenses" to be deducted by "Sale Proceeds". (note 2.22 of the interim financial statements)

Significant events after the end of the reporting period and up to the release date of the finan Transactions (including income, expenses, receivables, payables) with related parties for the ncial results are stated in the note 2.25 of the interim financial stater 15. Transactions (including oles) with related parties for the period 1/1-30/06/2019, are as foll-

	GROUP	COMPANY
a) Income		
-from subsidiaries	0	21.545
-from associates	2.185	3.432
-from other related parties	4.142	2.436
b) Expenses		
-to subsidiaries	0	10.516
-to associates	0	0
-to other related parties	7.150	4.872
c) Receivables		
-from subsidiaries	0	59.338
-from associates	10.065	6.538
-from other related parties	5.924	2.919
d) Payables		
-to subsidiaries	0	297.716
-to associates	0	0
-to other related parties	7.764	5.252
 e) BoD and Key Management Personnel transactions and fees 	3.765	2.460
f) BoD and Key Management Personnel receivables	29	0
g) BoD and Key Management Personnel payables	127	0

Maroussi, August 30, 2019

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