



# INTRALOT S.A.

INTEGRATED LOTTERY SYSTEMS AND SERVICES  
Company's Number in the General Electronic Commercial Registry: 000818201000 - (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 2020 to 30th June 2020

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

Financial Statements approval date:  
September 4, 2020

Audit 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 review report:  
Unqualified conclusion - including a material uncertainty related to going concern and an emphasis of matter

	GROUP		COMPANY	
	30/6/2020	31/12/2019	30/6/2020	31/12/2019
<b>ASSETS</b>				
Tangible Assets	149.356	168.708	26.134	28.430
Investment Property	0	0	0	0
Intangible Assets	235.564	242.866	80.958	82.729
Other Non-Current Assets	40.429	47.222	134.230	154.273
Inventories	37.964	35.607	9.103	10.733
Trade Receivables	75.876	75.698	86.078	77.232
Other Current Assets	198.694	226.169	56.586	39.939
<b>TOTAL ASSETS</b>	<b>737.883</b>	<b>797.470</b>	<b>393.089</b>	<b>393.336</b>
<b>EQUITY AND LIABILITIES</b>				
Share Capital	47.089	47.089	47.089	47.089
Other Equity Elements	-186.749	-140.460	-10.065	1.494
Shareholders Equity (a)	<b>-139.660</b>	<b>-93.371</b>	<b>37.024</b>	<b>48.583</b>
Non-Controlling Interest (b)	-9.098	197	0	0
<b>Total Shareholders Equity (c)=(a)+(b)</b>	<b>-148.758</b>	<b>-93.174</b>	<b>37.024</b>	<b>48.583</b>
Long-term Debt	725.281	727.355	296.502	280.485
Provisions / Other Long-term Liabilities	24.022	27.555	19.816	19.845
Short-term Debt	35.319	37.870	831	785
Other Short-term Liabilities	102.019	97.864	38.916	43.635
<b>Total Liabilities (d)</b>	<b>886.641</b>	<b>890.644</b>	<b>356.065</b>	<b>344.753</b>
<b>TOTAL EQUITY AND LIABILITIES (c)+(d)</b>	<b>737.883</b>	<b>797.470</b>	<b>393.089</b>	<b>393.336</b>

	GROUP		COMPANY	
	1/1-30/6/2020	1/1-30/6/2019	1/1-30/6/2020	1/1-30/6/2019
<b>Operating Activities</b>				
Profit/(loss) before Taxation (continuing operations)	-42.850	-1.529	-10.958	-20.183
Profit/(loss) before Taxation (discontinued operations)	0	8.856	0	0
<b>Plus/Less adjustments for:</b>				
Depreciation and Amortization	35.882	40.832	7.696	9.601
Provisions	1.097	4.860	154	146
Results/(income, expenses, gain and loss) from Investing Activities	-7.350	-17.929	-1.873	-5.257
Interest and similar expenses	25.143	26.914	10.018	9.538
Interest and similar income	-795	-3.463	-1.834	-2.030
(Gain) / loss on net monetary position	-256	-435	0	0
<b>Plus/Less adjustments of working capital to net cash or related to operating activities:</b>				
Decrease/(increase) of Inventories	-2.988	1.116	1.623	-405
Decrease/(increase) of Receivable Accounts	116	3.147	-6.609	15.339
(Decrease)/increase of Payable Accounts (except Banks)	3.405	-9.853	-5.348	-5.877
Income Tax Paid	8.826	3.533	6.404	0
<b>Total inflows / (outflows) from Operating Activities (a)</b>	<b>17.278</b>	<b>48.983</b>	<b>-13.535</b>	<b>872</b>
<b>Investing Activities</b>				
(Purchases)/Sales of subsidiaries, associates, joint ventures and other investments	-1.223	7.295	17.971	2.328
Purchases of tangible and intangible assets	-15.257	-31.769	-4.043	-5.347
Proceeds from sales of tangible and intangible assets	23	152	1	48
Interest received	533	3.014	373	1.094
Dividends received	2.057	8.274	2.870	11.213
<b>Total inflows / (outflows) from Investing Activities (b)</b>	<b>-13.867</b>	<b>-13.034</b>	<b>17.172</b>	<b>9.336</b>
<b>Financing Activities</b>				
Cash inflows from loans	40.562	44.857	7.000	0
Repayment of loans	-41.406	-53.746	0	-14.600
Repayment of lease liabilities	-5.512	-3.704	-142	-241
Interest and similar expenses paid	-23.252	-24.076	-797	-4.137
Dividends paid	-7.887	-33.028	0	0
<b>Total inflows/(outflows) from Financing Activities (c)</b>	<b>-35.495</b>	<b>-69.697</b>	<b>6.061</b>	<b>-18.978</b>
<b>Net increase/(decrease) in cash and cash equivalents for the period (a)+(b)+(c)</b>	<b>-32.084</b>	<b>-33.748</b>	<b>9.698</b>	<b>-8.770</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>171.114</b>	<b>162.461</b>	<b>16.172</b>	<b>33.146</b>
<b>Net foreign exchange difference</b>	<b>-1</b>	<b>-4</b>	<b>-</b>	<b>-293</b>
<b>Cash and cash equivalents at the end of the period from total operations</b>	<b>137.480</b>	<b>128.712</b>	<b>25.866</b>	<b>24.083</b>

	GROUP		COMPANY	
	30/6/2020	30/6/2019	30/6/2020	30/6/2019
<b>Net equity at the beginning of the period (1/1/2020 and 1/1/2019 respectively)</b>	<b>-93.174</b>	<b>34.445</b>	<b>48.583</b>	<b>56.882</b>
Effect on retained earnings from previous years adjustments	-24	24	0	0
Total comprehensive income / (expenses) for the year after tax (continuing and discontinued operations)	-47.325	-8.068	-11.544	-19.908
Dividends to equity holders of parent / non-controlling interest	-7.777	-30.759	-15	0
New Consolidated Associate Entities	0	9	0	0
Treasury shares repurchase/disposal	0	0	0	0
Associate companies stock options	0	131	0	0
Effect due to change in participation percentage	0	0	0	0
Subsidiary disposal / liquidation	0	-131	0	0
Adjustment to net monetary position	128	72	0	0
Change of consolidation method	-586	0	0	0
<b>Net Equity of the period Closing Balance (30/06/2020 and 30/06/2019 respectively)</b>	<b>-148.758</b>	<b>-4.277</b>	<b>37.024</b>	<b>36.974</b>

	GROUP				COMPANY			
	1/1-30/6/2020	1/1-30/6/2019	1/4-30/6/2020	1/4-30/6/2019	1/1-30/6/2020	1/1-30/6/2019	1/4-30/6/2020	1/4-30/6/2019
<b>Sale Proceeds</b>	168.214	378.071	66.269	185.372	24.840	18.659	14.554	9.896
Less: Cost of Sales	-137.634	-301.747	-55.871	-148.833	-16.529	-21.603	-6.369	-11.164
<b>Gross Profit / (Loss)</b>	<b>30.580</b>	<b>76.324</b>	<b>10.398</b>	<b>36.539</b>	<b>8.311</b>	<b>-2.944</b>	<b>8.185</b>	<b>-1.268</b>
Other Operating Income	8.613	9.881	4.940	4.980	83	309	46	46
Selling Expenses	-11.864	-21.180	-5.016	-4.268	-4.268	-4.876	-2.009	-2.253
Administrative Expenses	-35.836	-39.980	-17.324	-20.075	-7.229	-7.641	-3.372	-3.958
Research and Development Expenses	-1.393	-2.245	-737	-1.134	-1.393	-2.245	-737	-1.134
Other Operating Expenses	-1.098	-4.859	-630	-4.287	-161	-505	-40	-328
<b>EBIT</b>	<b>-10.998</b>	<b>17.941</b>	<b>-8.369</b>	<b>5.665</b>	<b>-4.657</b>	<b>-17.902</b>	<b>2.073</b>	<b>-8.893</b>
Income/(expenses) from participations and investments	-4.568	2.833	-4.762	2.825	1.458	5.661	1.411	1.903
Gain/(loss) from assets disposal, impairment loss and write-off of assets	-22	-3.669	-76	-1.341	10	-11	10	-11
Interest and similar expenses	-25.143	-26.831	-12.414	-13.627	-10.018	-9.538	-5.038	-4.707
Interest and related income	795	3.462	104	1.291	1.834	2.030	948	1.044
Exchange differences	-1.543	4.370	-1.083	636	415	-423	-399	-327
Profit / (Loss) from equity method consolidations	-1.627	-70	-1.473	803	0	0	0	0
Gain/(loss) on net monetary position	256	435	69	205	0	0	0	0
<b>Profit / (Loss) before tax from continuing operations</b>	<b>-42.850</b>	<b>-1.529</b>	<b>-28.004</b>	<b>-3.543</b>	<b>-10.958</b>	<b>-20.183</b>	<b>-995</b>	<b>-10.991</b>
Tax	211	-12.157	2.165	-6.232	-586	-1.009	-323	-804
<b>Net Profit / (Loss) after tax from continuing operations</b>	<b>-42.639</b>	<b>-13.686</b>	<b>-25.839</b>	<b>-9.775</b>	<b>-11.544</b>	<b>-21.192</b>	<b>-1.318</b>	<b>-11.795</b>
<b>Net Profit / (Loss) after tax from discontinued operations</b>	<b>0</b>	<b>8.856</b>	<b>0</b>	<b>7.803</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Profit / (Loss) after tax (continuing and discontinued operations) (A)</b>	<b>-42.639</b>	<b>-4.830</b>	<b>-25.839</b>	<b>-1.972</b>	<b>-11.544</b>	<b>-21.192</b>	<b>-1.318</b>	<b>-11.795</b>
Attributable to:								
- Equity holders of parent	-42.949	-21.979	-25.381	-9.782	-11.544	-21.192	-1.318	-11.795
- Non-Controlling Interest	310	17.149	458	7.810	0	0	0	0
<b>Other comprehensive income / (expenses), after tax (B)</b>	<b>-4.686</b>	<b>-3.238</b>	<b>-2.671</b>	<b>-3.034</b>	<b>-15</b>	<b>1.284</b>	<b>5</b>	<b>1.271</b>
<b>Total comprehensive income / (expenses) after tax (A) + (B)</b>	<b>-47.325</b>	<b>-8.068</b>	<b>-28.510</b>	<b>-5.006</b>	<b>-11.559</b>	<b>-19.908</b>	<b>-1.313</b>	<b>-10.524</b>
Attributable to:								
- Equity holders of parent	-46.464	-22.580	-27.663	-12.051	-11.559	-19.908	-1.313	-10.524
- Non-Controlling Interest	861	14.512	847	7.045	0	0	0	0
<b>Earnings / (loss) after tax per share (in euro)</b>								
- Basic	-0.2907	-0.1487	-0.1718	-0.0662	-0.0781	-0.1434	-0.0089	-0.0798
- Diluted	-0.2907	-0.1487	-0.1718	-0.0662	-0.0781	-0.1434	-0.0089	-0.0798
<b>EBITDA</b>	<b>26.710</b>	<b>58.673</b>	<b>10.617</b>	<b>26.878</b>	<b>3.089</b>	<b>-8.301</b>	<b>5.480</b>	<b>-4.125</b>
Proposed dividend per share (in C)	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 31/12/2019 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 30/6/2020 and not in the consolidation of 30/06/2019 due to subsequent acquisition/establishment are the following: Intralot Betco EOOD and Intralot Tech Single Member S.A. (subsidiaries) (note 2.20.A.IV of the interim financial statements). During the third quarter of 2019, the Group increased its stake in Lotrom S.A. to 84% from 60% through the acquisition of additional percentage from the non-controlling interest. The entities Loteria Moldova S.A., Gameway Ltd, Intralot De Mexico Ltd, Intralot Services S.A., Intralot OOO, Beta Rial Sp.Zoo, Polot Sp.Zoo, Ulicic Ltd, Dova Ltd, Entergaming Ltd, Intralot Italian Investments B.V. and Intralot Asia Pacific Ltd are under liquidation process. The Group completed the liquidation and strike off of its subsidiary White Eagle Investments Ltd (January 2020), Intralot South Korea S.A. (September 2019), Nafrol S.A., Intralot St. Lucia Ltd (October 2019), Intralot Lotteries Ltd (December 2019), Intralot Technologies Ltd (December 2019) and the associate company Gain Advance Group LTD (July 2020). The entities Eurobet Ltd, Eurobet Trading Ltd and ICS S.A. from 1/1-31/3/2020 were consolidated under the full consolidation method, and from 1/4/2020 under the equity consolidation method due to loss of control according to IFRS 10 (note 2.20.A.X).
- Regarding capital structure, INTRALOT has retained Evercore Partners and Allen & Overy, as financial and legal advisors respectively, to review and implement strategic alternatives for the business. The strategic review process will include assessing all available financial and strategic options which may be available to optimize the Company's capital structure, with a view to best position the Company to capture growth opportunities in its key markets and maximize stakeholder value. In that regard, the Company and its advisors will seek to engage directly with its stakeholders in due course (note 2.1.1 of the interim financial statements).
- Since the end of March 2020 the conditions under which Eurobet Ltd group was fully consolidated, according to IFRS 10, in the financial statements of INTRALOT Group have ceased, and the company since then is consolidated under the equity method. The remaining investment of the Group (49%) in Eurobet Ltd group was estimated as of zero value. Net losses from Eurobet Ltd group net assets recognition, as well as the reclassification of non-controlling interests according to IFRS 10 par. 25, came up to €563 thousand and was presented in Income Statement of the Group (row "Income/(expenses) from participations and investments" - "Losses from sale of participations and investments"). (note 2.20.A.V of the interim financial statements).
- In January 2020, the Group announced that through its fully owned subsidiary Intralot Iberia Holdings SAU signed a binding term-sheet to acquire from Turktel Bilgişim Servisleri A.Ş., Global Bilgi Paz. Dan. ve Çağrı Servis Hizm. A.Ş. and Turktel Satış ve Dijital Bilgi Servisleri A.Ş. their total shareholding of 55% in İnteltek İnternet Teknoloji Yatırım ve Danışmanlık Ticaret A.Ş. ("Inteltek") including all rights and liabilities to Intralot Iberia Holdings SAU. The respective transaction is expected to be completed within the third quarter of 2020 once the final share sale and purchase agreement ("SPA") is signed and necessary legal approvals are obtained. The final value of the transaction will be determined based on IFRS net book value of Inteltek and no material impact is expected on our financial statements. (note 2.20.A.V of the interim financial statements).
- 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. 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 €8,0 million, including the contingent consideration, in case of meeting certain terms and requirements within 2 years, amounting to approximately €1,8 million on a discounted basis (€2,0 million in future value). From the above consideration amount approximately €5,5 million was paid in the first six-months of 2019 and amount approximately €0,8 million in July 2019. On 30/6/2020 the Group recognized a loss of €996 thousand from the non-collection of contingent consideration of Totolotek S.A. disposal, since the relevant terms and requirements were not met. (note 2.20.A.VIII.A of the interim financial statements).
- In October and in November 2019 INTRALOT announced that its subsidiary Intralot Italian Investments B.V. signed a share purchase agreement with the Italian company "Gamma Bidco S.r.l." (a company formed on behalf of funds managed by Apollo Management IX, L.P.) for the sale of its stake in Gamnet Group S.p.A. (6,000,000 shares or 20% of its share capital), for the amount of €78 million. As of 22/10/2019 the activities of the Group in Italy have been classified as discontinued operations. The transaction was completed in mid-December 2019 following the necessary approvals by the relevant competition and regulatory authorities among with the payment of the above price. The consideration of Gamnet Group S.p.A. disposal amounted to € 78,0 million and it was paid in December 2019. (note 2.20.A.VIII.B of the interim financial statements).
- In February 2020 the Government of Bulgaria has passed legislation that amends the local gambling law, according to which all lottery-type of games, except for KINO type of games, are organized under a State Monopoly. Therefore, three of the six gaming licenses held by Eurobet Ltd, a 49% subsidiary of INTRALOT Group, have been terminated by Law on 21/2/2020. Also, in early March 2020, Eurobet Ltd voluntarily returned the rest three gaming licenses, that were active but not operated (not producing any revenue). Finally, in March 2020 Eurobet Ltd and its subsidiary ICS SA submitted application for opening bankruptcy proceedings for protection against its lenders, but the proceedings are not yet initiated due to COVID-19. Also, the subsidiary Eurobet Ltd, Eurobet Trading Ltd is also under relevant preparations. In addition, in February 2020 the Bulgarian State Gambling Commission (SGC) notified Eurobet Ltd for a claim of retrospective State Fees amounting to BGN 74,4 million (€38,0 million). The company appealed before the local Administrative Courts. (note 2.20.A.X of the interim financial statements).
- In February 2020 the Bulgarian State Gambling Commission (SGC) notified Eurofootball Ltd for a claim of retrospective State Fees amounting to BGN 328,9 million (€168,2 million). The company appealed before the local Administrative Courts. In addition, in March 2020 the imposition of emergency sanctions on Bulgaria due to the COVID-19 pandemic has led to the indefinite shut down of the point of sale network of Eurofootball Ltd. During the shutdown for health reasons, on 25/3/2020 the State Gambling Commission of Bulgaria issued two decisions regarding the temporary suspension of gaming licenses of Eurofootball Ltd for a period of three months, that were cancelled by the competent courts following an appeal of Eurofootball Ltd, however in a meeting held on 14/7/2020 the Bulgarian State Gambling Commission decided the definite suspension of the company's licenses. On 30/3/2020 the shareholders in Eurofootball Ltd terminated the Business Cooperation Agreement, they agreed on removing the specific majorities in the General meeting of the shareholders and also the manager appointed by Eurofootball Ltd was released on 14/4/2020 (note 2.20.A.X of the interim financial statements).
- The Company's best estimate regarding the COVID-19 pandemic impact for 2020 remains in the vicinity of €25m at Company's EBITDA level. Detailed analysis is presented in the note 2.25 of interim financial statements.
- The Group provisions of 30/06/2020 amount to €4,4 million for disputed or under arbitration disputes, an amount of €5,6 million for unaudited tax years and tax audit expenses and finally an amount of €2,4 million for other provisions. The respective amounts for the Company amount to €4,0 million (disputed or under arbitration disputes), €5,6 million (unaudited tax years by certified auditors and tax audit expenses) and €0 million (other provisions) (note 2.20.C of the interim financial statements).
- The number of employees of the Group on 30/6/2020 amounted to 3,240 persons (Company/subsidiaries 2,104 and associates 1,136) and the Company's to 693 persons. On 30/6/2019, the number of employees of the Group amounted to 4,561 persons (Company/subsidiaries 2,384 and associates 2,177) and the Company's to 656 persons. At the end of 2019, the number of employees of the Group amounted to 3,845 persons (Company/subsidiaries 2,212 and associates 1,633) and the Company's to 644 persons.
- Companies that are included in consolidated financial statements as of 30/6/2020 are presented in note 2.20.A.I & II of the interim financial statements including locations, group percentage ownership and consolidation method.
- The unaudited fiscal years 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 income/expenses were directly recognized to the Group statement of comprehensive income of 30/6/2020 amounting to €-4,6 million (2019: €-3,2 million) related to: currency translation differences of €-4,4 million (2019: €-4,7 million), amount €-0,2 million (2019: €1,5 million) revaluation of assets at fair value through other comprehensive income, and finally an amount of €-25 thousand (2019: €2 thousand) related to the revaluation of defined benefit plans. Respectively, the amounts of income/expense recorded to the statement of comprehensive income of the Company amount to €4,0 million (2019: €1,3 million) related to: valuation of assets valued at fair value through the other comprehensive income of €-15