

1H20 Financial Results

September 7th, 2020

intralot



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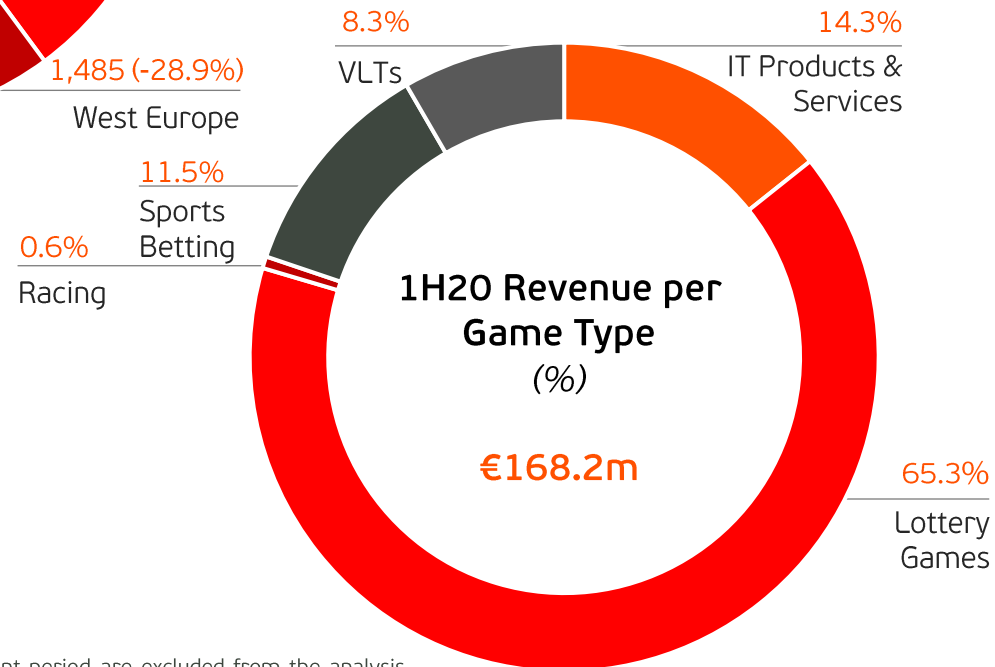
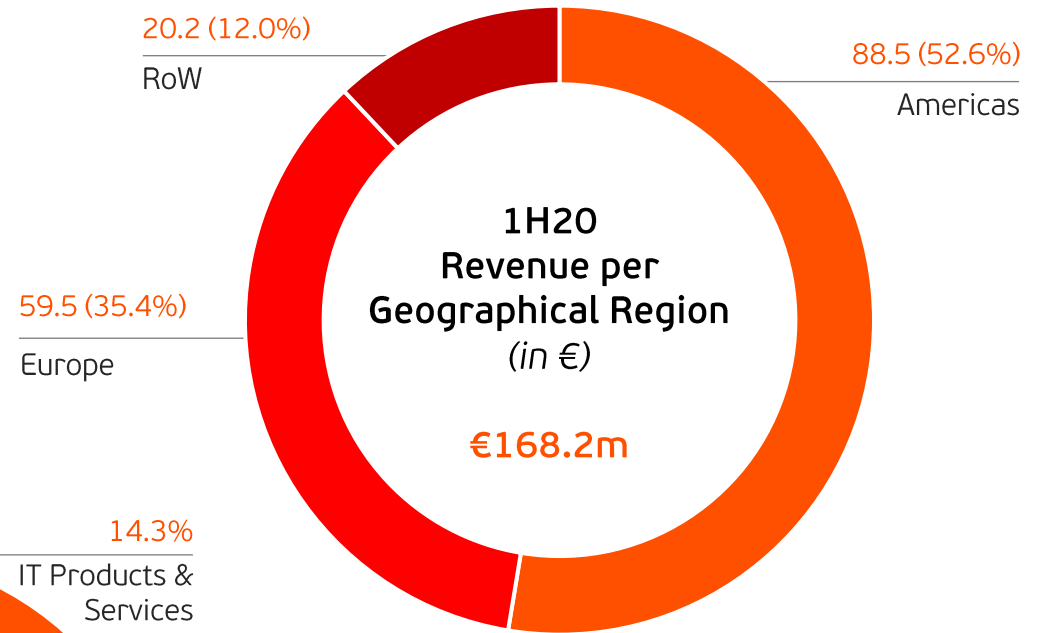
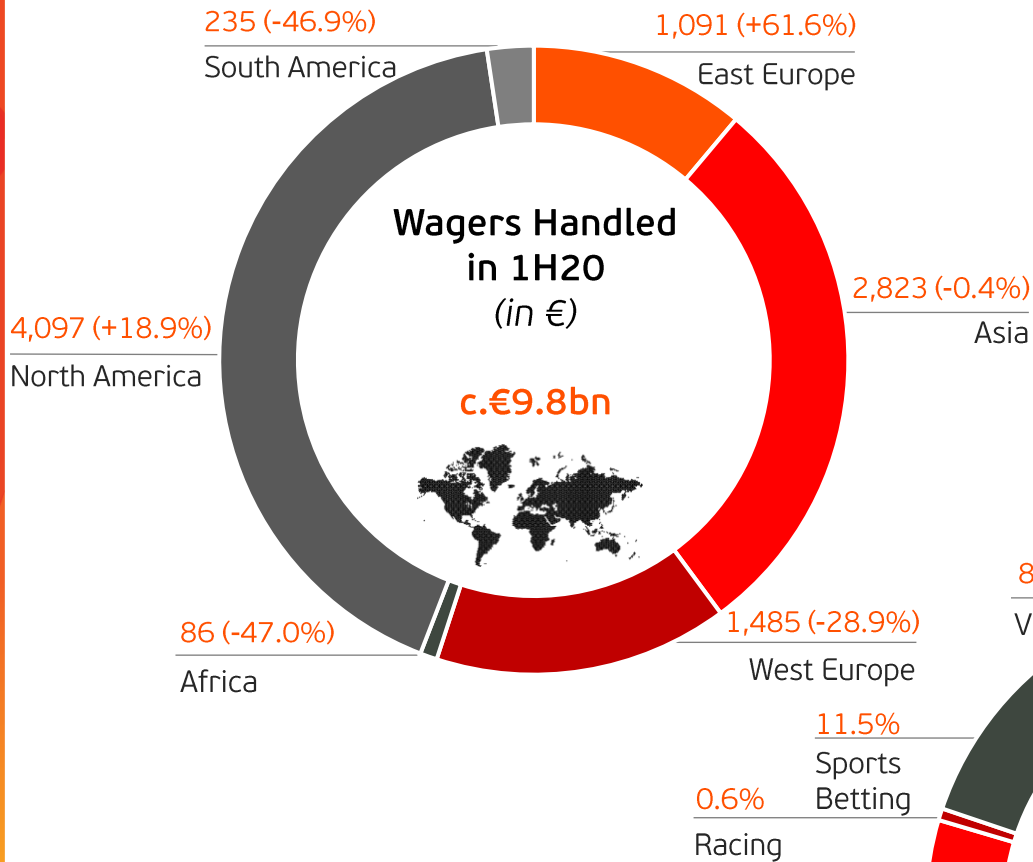
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INTRALOT Group CEO Christos K. Dimitriadis, noted:

“During the first half of 2020 we have navigated through the COVID-19 pandemic as well as the effect of discontinued operations in Bulgaria and Turkey. We have revisited our strategy, accelerated its execution, reorganized the Group, gave priority to our customers and to our people, addressed our financials with prudence, diversified our portfolio even further, ensured continuity in service provision and identified ways to unlock the hidden potential of our digital technology.

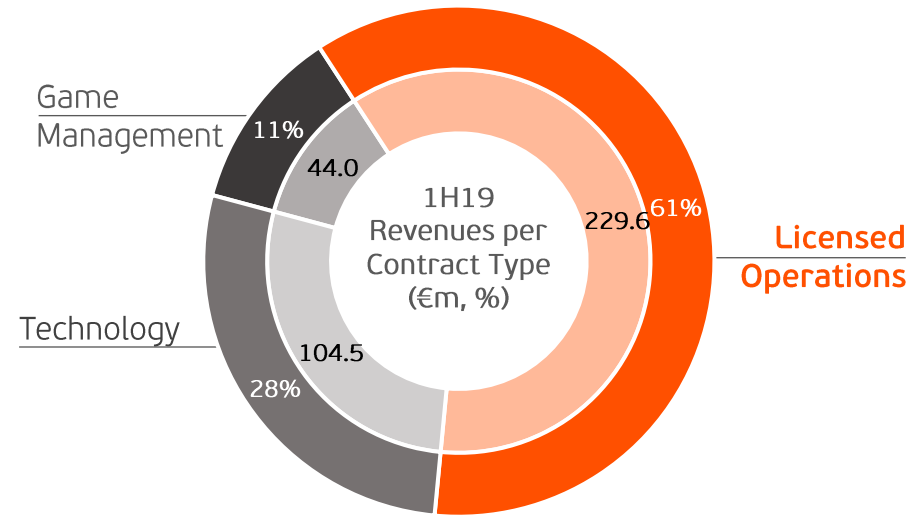
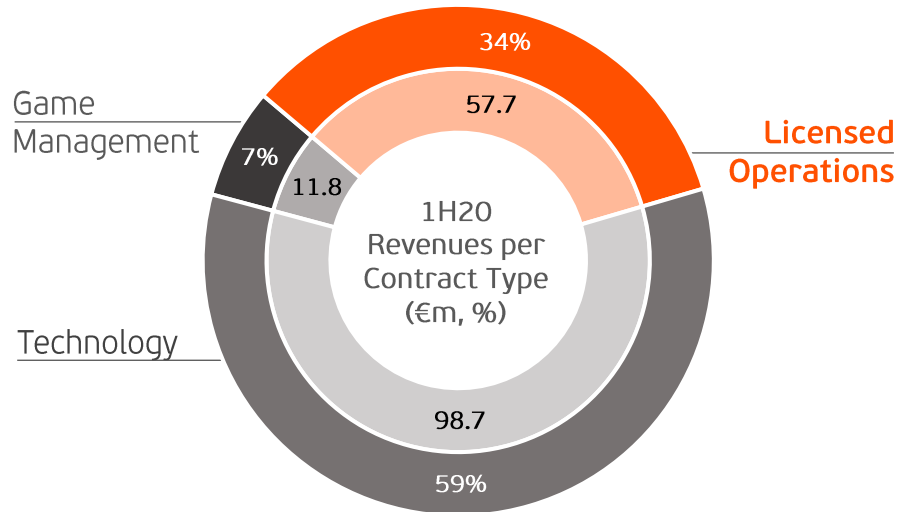
As a result, we have achieved significant growth in our US operation, substantial reduction of the Group’s OPEX and CAPEX and maintenance of strong liquidity levels. Most importantly we are continuously being prepared for the future and the new realities that are being established worldwide.”

Wagers Handled¹ & Revenues



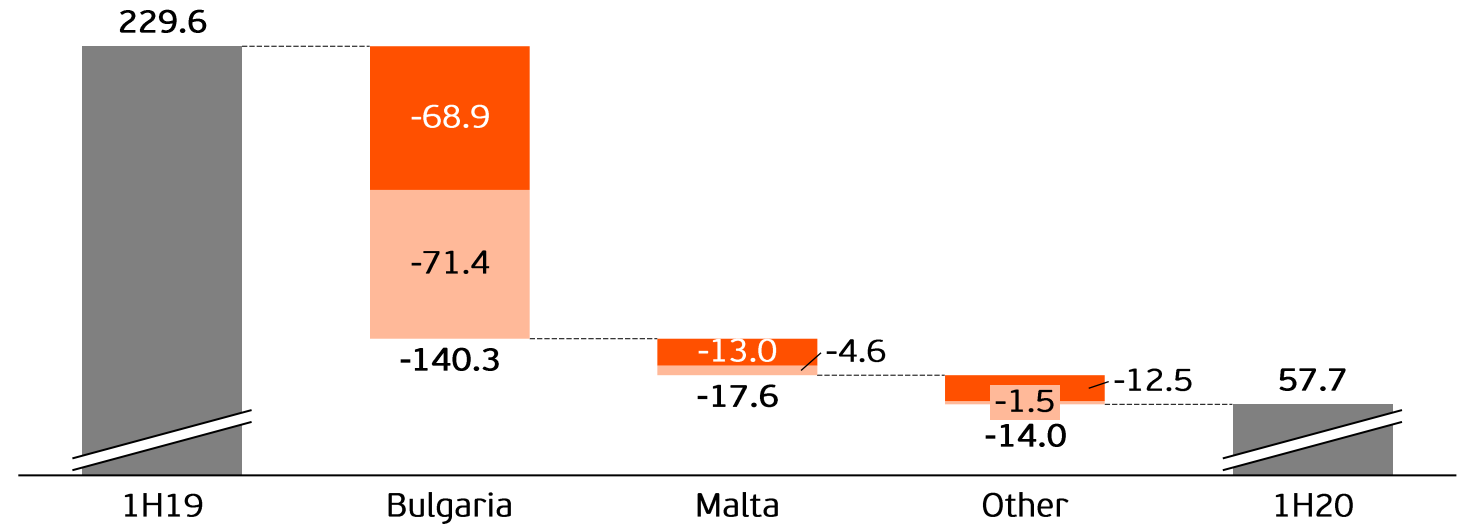
1. Discontinued operations and contracts ended within the current period are excluded from the analysis. Contribution from our Bulgarian operations has been excluded as well, following the recent developments.

Licensed Operations - Revenue Evolution



in € million

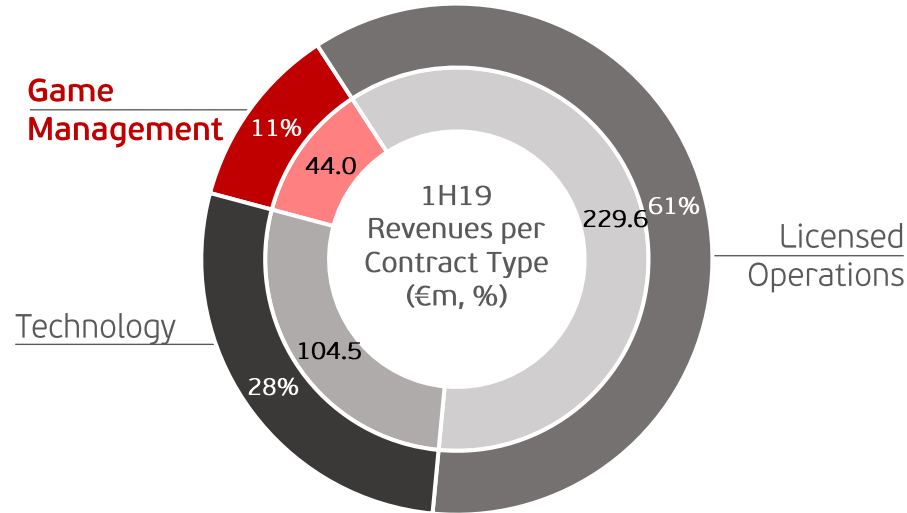
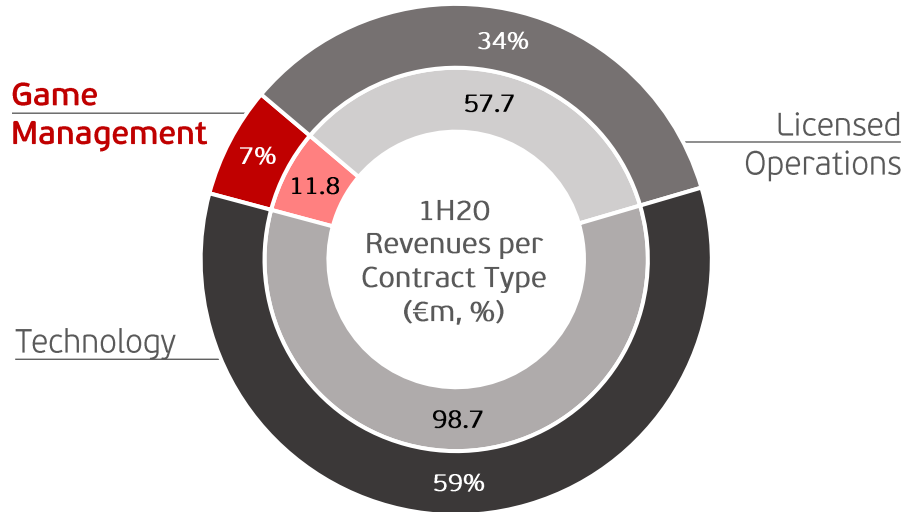
■ Q2
■ Q1



Revenue Evolution Drivers:

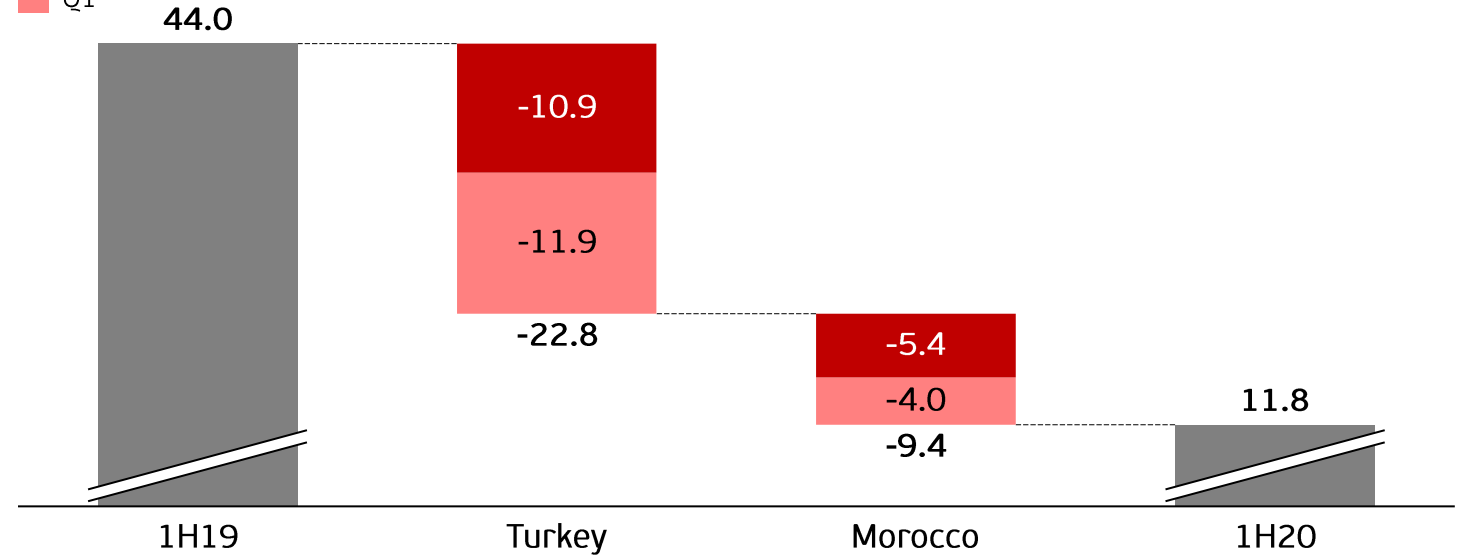
- **Bulgaria** driven by Eurofootball and Eurobet's change in consolidation method (full vs. equity method) and by the impact of discontinued contracts of Eurobet from mid-February onwards as well.
- **Malta** with the variance attributable mainly to COVID-19 impact from mid-March 2020 onwards.
- **Other Licensed Operations** (referring to Argentina and Brazil), impacted mainly by COVID-19 pandemic.

Game Management Contracts - Revenue Evolution



in € million

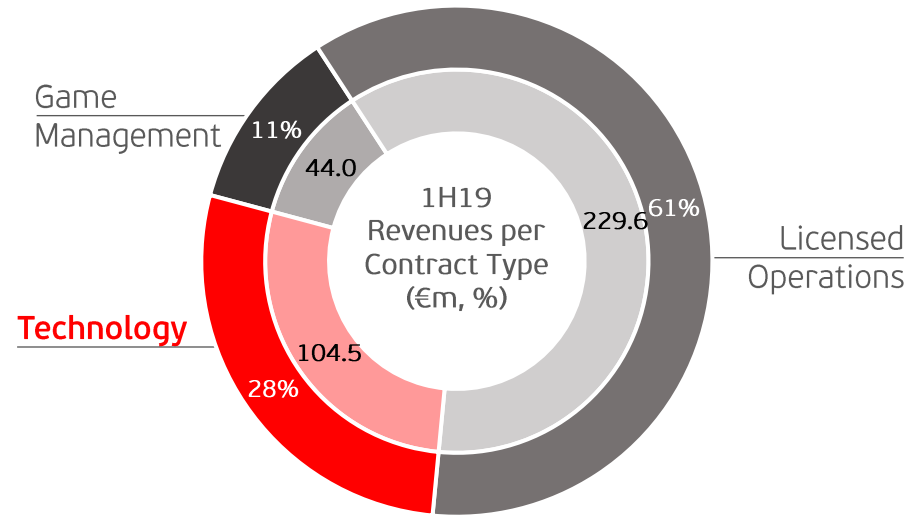
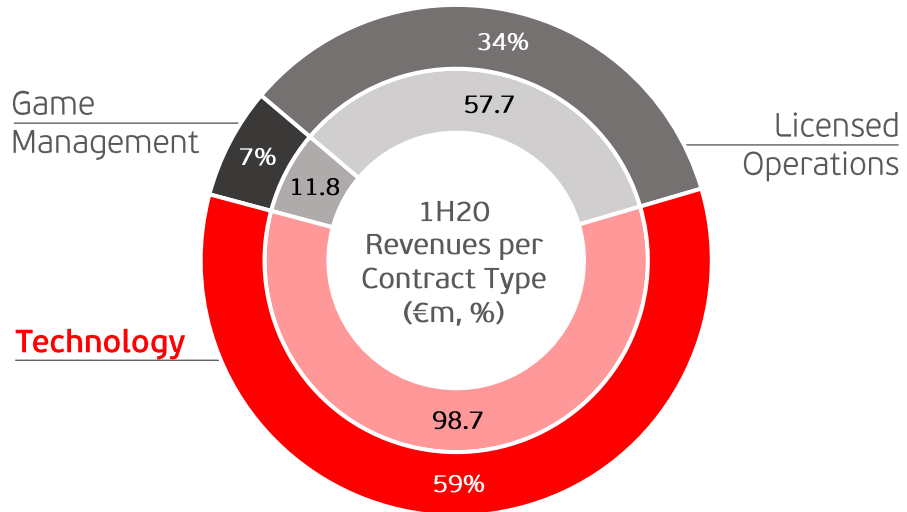
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Revenue Evolution Drivers:

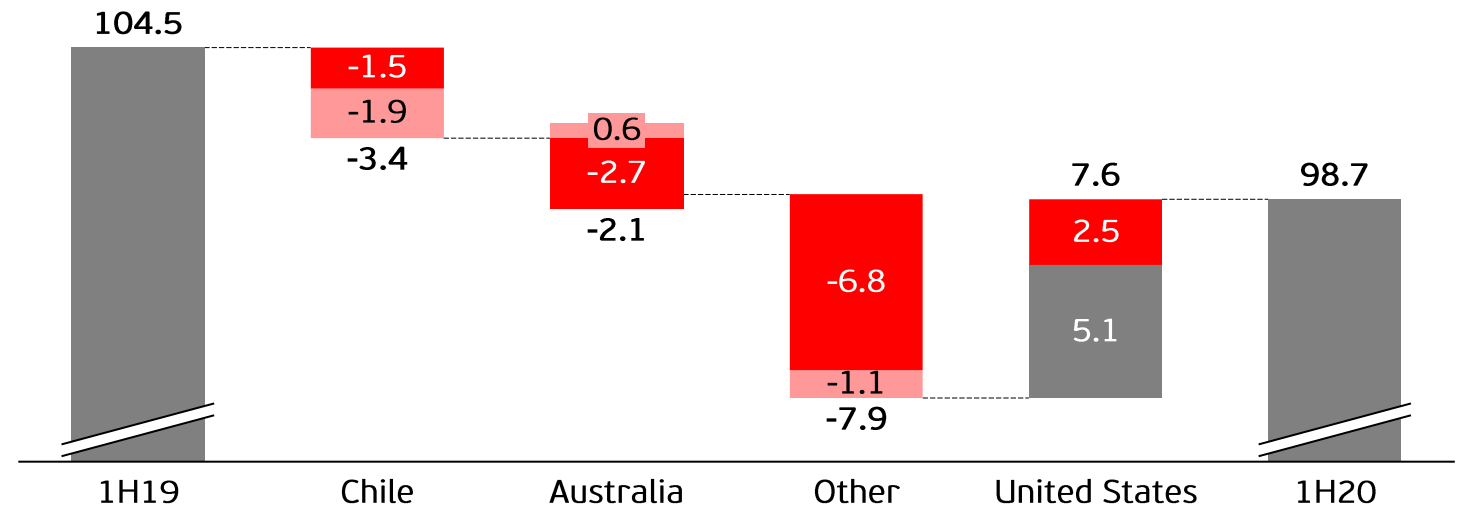
- Turkey** revenue decrease is driven by Inteltek's contract discontinuation post August 2019, as well as by a decline in Bilyoner's top line performance following the transition to the new Sports Betting era in Turkey (driven by a market share reduction and revised commercial terms), as well as the impact of the COVID-19 pandemic. Performance in Euro terms was further impacted by the devaluation of the local currency (12.4% Euro appreciation versus a year ago – in YTD average terms).
- Morocco** mainly impacted by the revised commercial terms following the transition to the new contract, being further deteriorated by the COVID-19 impact from mid-March 2020 onwards.

Technology Contracts - Revenue Evolution



in € million

■ Q2
■ Q1



Revenue Evolution Drivers:

- **Chile's** lower performance in 1H20, largely because of a significant Lotto jackpot in 1Q19, the recent social unrest in the country, and COVID-19 impact.
- **Australia's** lower performance in 1H20, driven by the COVID-19 pandemic impact.
- **Other jurisdictions**, mainly Argentina and Greece, impacted primarily by COVID-19, partially being offset by a one-off equipment sale in Germany.
- **US** increased performance, driven by the higher contribution of our new contract in Illinois in the CY, an one-off revenue recognition in our new project with BCLC in Canada, and one-off equipment sale in Ohio, that fully absorbed the Ohio CSP contract termination impact in LY, the COVID-19 impact, and a Powerball jackpot in 1Q19. Performance was also in part boosted by a favorable USD movement (2.7% Euro depreciation versus a year ago — in YTD average terms).

Consolidated Financial Statements for 1H20

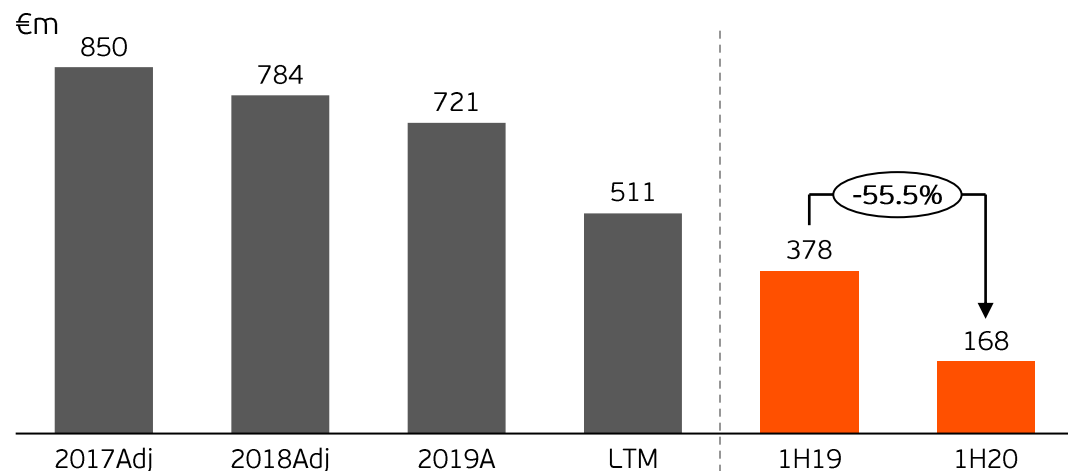
(in € million)	1H20	1H19	% Change	2Q20	2Q19	% Change	LTM
Revenue (Turnover)	168.2	378.1	-55.5%	66.3	185.4	-64.2%	510.7
Technology, Management & Rest Contracts	111.0	150.0	-26.0%	50.2	75.7	-33.7%	241.5
Licensed Operations (Payout related)	57.2	228.1	-74.9%	16.1	109.7	-85.3%	269.2
Payout (%) ¹	60.5%	69.9%	-9.4pps	60.0%	69.3%	-9.3pps	69.0%
GGR	133.5	218.3	-38.8%	56.6	109.2	-48.2%	324.3
nGGR	121.5	180.6	-32.7%	53.1	90.8	-41.5%	279.4
Gross Profit	30.6	76.3	-59.9%	10.4	36.5	-71.5%	80.3
Gross Profit Margin (%)	18.2%	20.2%	-2.0pps	15.7%	19.7%	-4.0pps	15.7%
OPEX	-50.2	-68.3	-26.5%	-23.7	-35.9	-34.0%	-122.3
EBITDA²	26.7	58.7	-54.5%	10.6	26.9	-60.6%	55.8
EBITDA Margin (% Sales)	15.9%	15.5%	+0.4pps	16.0%	14.5%	+1.5pps	10.9%
EBITDA Margin (% GGR)	20.0%	26.9%	-6.9pps	18.7%	24.6%	-5.9pps	17.2%
Adjusted EBITDA	24.0	44.7	-46.3%	10.0	20.9	-52.2%	48.0
D&A	-35.9	-40.7	-11.8%	-17.5	-21.2	-17.5%	-77.8
EBT	-42.8	-1.5	-	-28.0	-3.5	-	-112.0
EBT Margin (% Sales)	-25.4%	-0.4%	-25.0pps	-42.2%	-1.9%	-40.3pps	-21.9%
NIATMI from Continuing Operations	-42.9	-30.8	-39.3%	-25.4	-17.6	-44.3%	-124.0

1. Payout ratio calculation excludes the IFRS 15 impact for payments to customers.

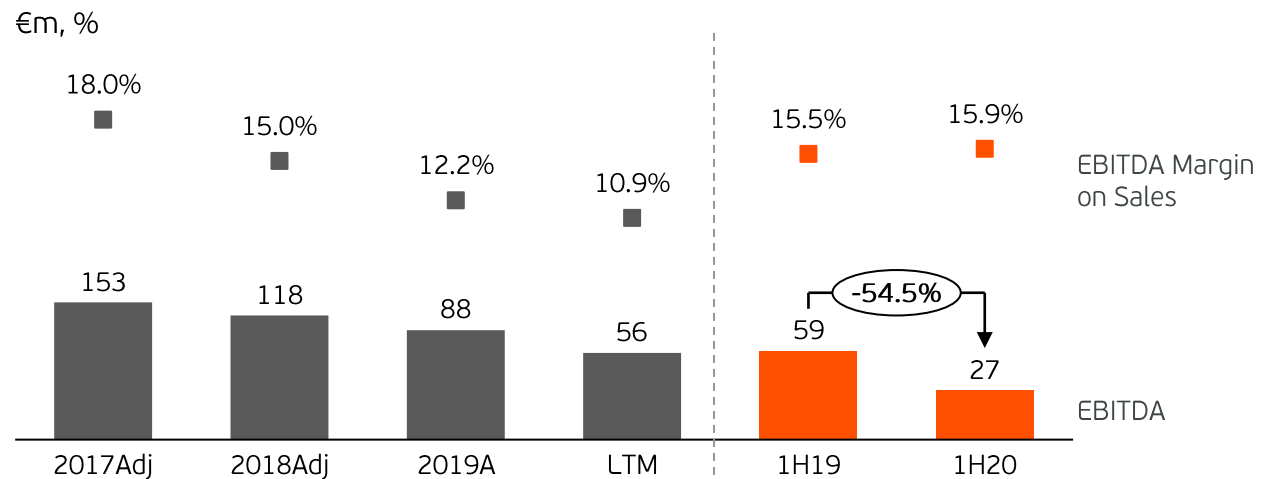
2. The Group defines "EBITDA" as "Operating Profit/(Loss) before tax" adjusted for the figures "Profit/(loss) from equity method consolidations", "Profit / (loss) to net monetary position", "Exchange Differences", "Interest and related income", "Interest and similar expenses", "Income/(expenses) from participations and investments", "Write-off and impairment loss of assets", "Gain/(loss) from assets disposal", "Reorganization costs" and "Assets depreciation and amortization".

Overview Of Key Financial Metrics

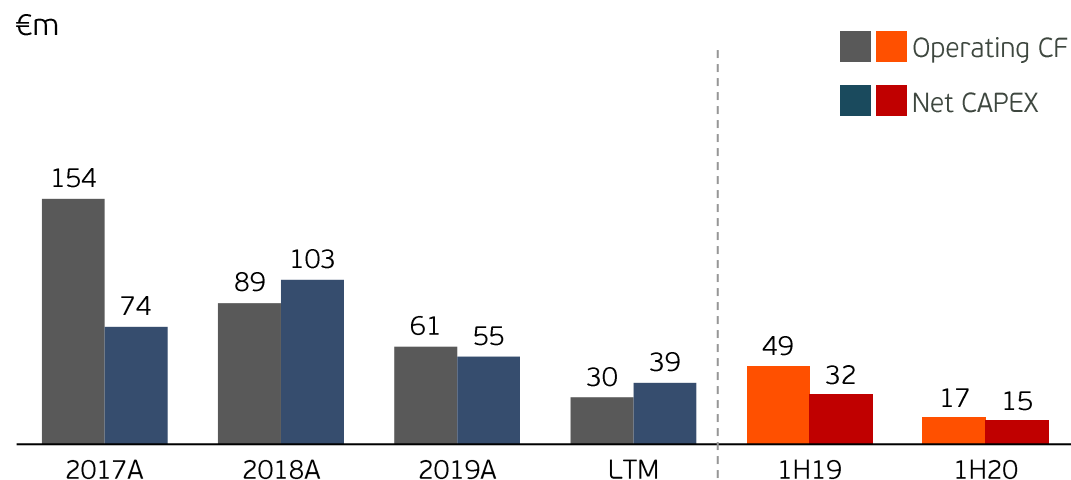
REVENUES¹



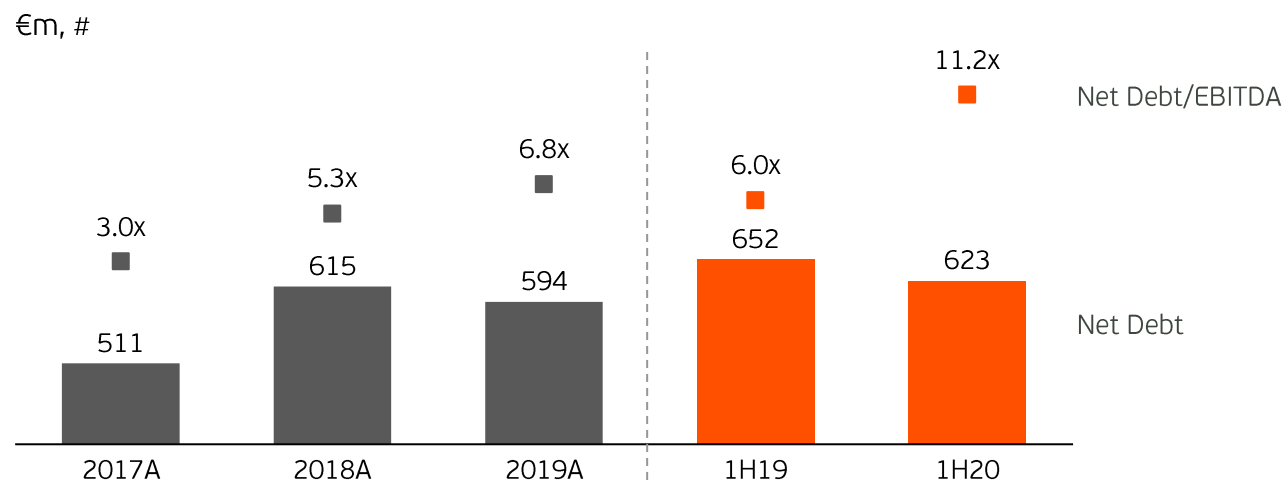
EBITDA AND EBITDA MARGIN¹



OPERATING CASH FLOW AND NET CAPEX



NET DEBT² AND NET DEBT / EBITDA³



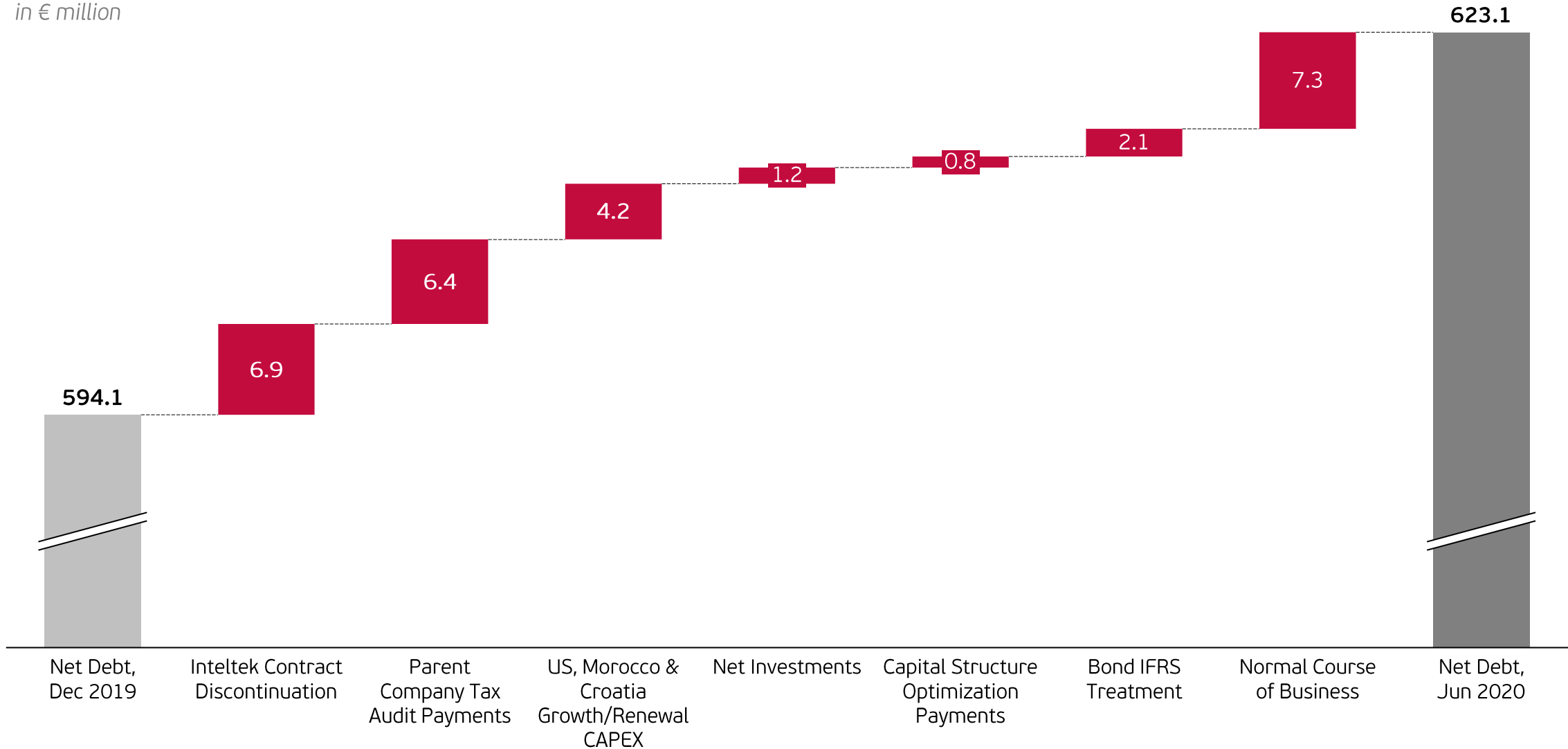
1. Excluding discontinued operations in Italy, Peru, Russia, Jamaica, Slovakia, Azerbaijan, and Poland.

2. Net debt calculated as Long-term debt plus Short-term debt and current portion of long-term debt plus Financial Leases less Cash and cash equivalents

3. Calculated as Net debt divided by LTM EBITDA. Net Debt and EBITDA levels as reported/ published in the respective periods. LTM EBITDA in 1H19 Leverage ratio calculated on a pro-forma basis to adjust for a full year IFRS 16 adoption impact (estimate).

Net Debt Movement

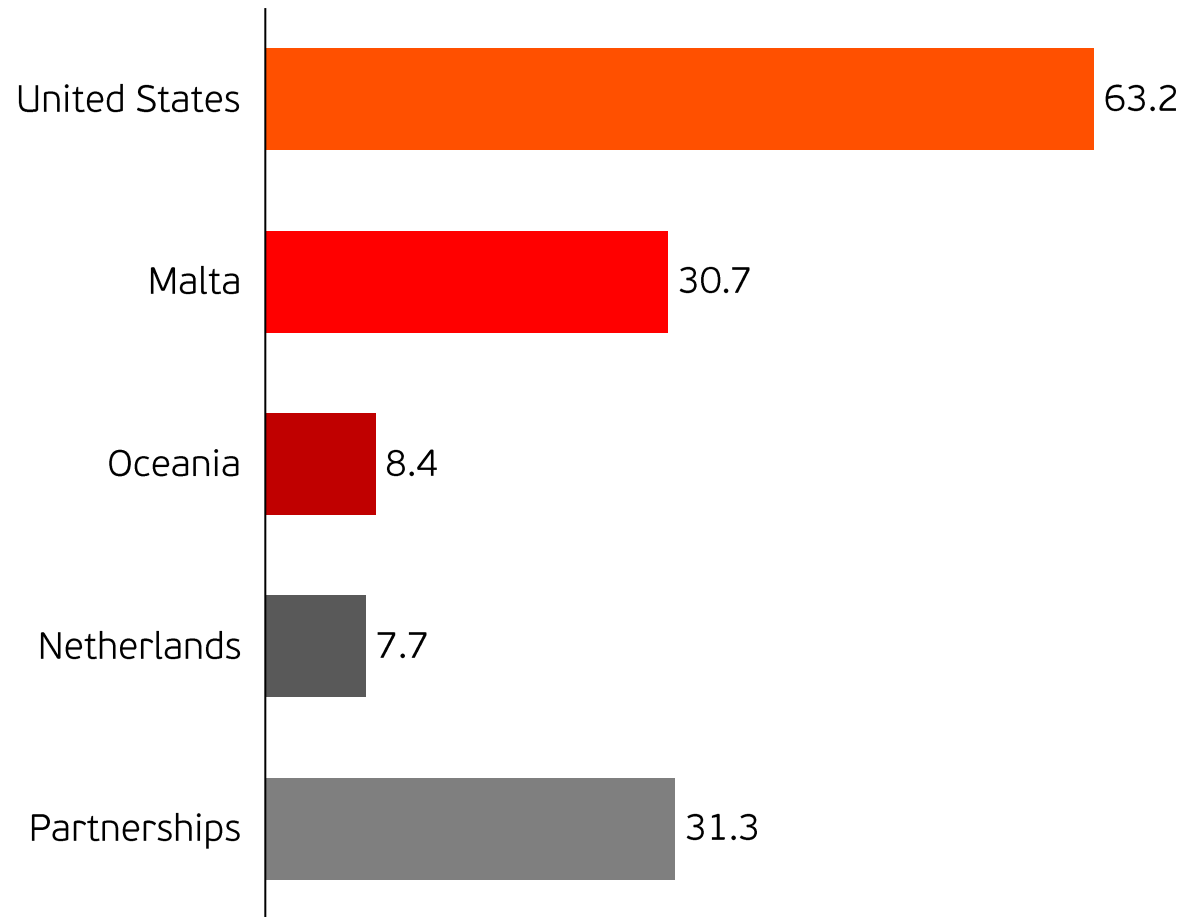
Net Debt Movement, 1H20
in € million



Key Revenue and EBITDA Contributors^{1,2}

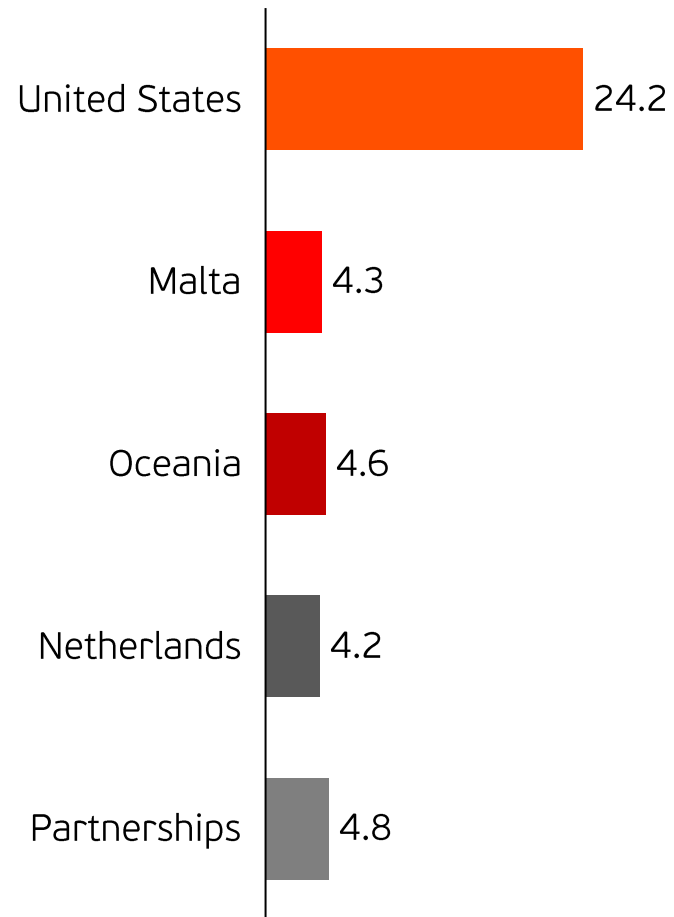
1H20 Key Revenue Contributors

(in €m, %)



1H20 Key EBITDA Contributors

(in €m, %)



1. Country Revenue and EBITDA figures include all operating and non-operating entities

2. USA figures refer to Intralot Inc. Group figures, namely Intralot Inc, DC09 LLC and Intralot Tech; Intralot Inc. figures include the Philippines and BCLC projects' contributions

Contribution from Partnerships

Country	Stake	1H20 EBITDA Contribution	1H19 EBITDA Contribution
Inteltek ¹	45.00%	1%	18%
Bilyoner ¹	50.01%	5%	8%
Eurofootball Group ^{2, 4}	49.00% + option for additional 2.00%	0%	17%
Eurobet Group ^{2, 5}	49.00% + option for additional 2.00%	3%	6%
Tecno Accion Group ³	50.01%	9%	10%
Total Partnership Contribution		18%	59%
INTRALOT's Portion of EBITDA		87%	66%

1. Management Contract

2. Licensed Operation

3. 12 Facilities Management (IT) Contracts with State Lotteries and 1 Licensed Operation

4. Eurofootball's method of consolidation changed from Full to Equity in December 2019. In addition, the gaming licenses of Eurofootball have been temporarily suspended. For further details refer to the notes of the Interim Financial Report.

5. Eurobet's licenses discontinued within 1Q20, and the method of consolidation of Eurobet group changed from Full to Equity in 1H20. For further details refer to the notes of the Interim Financial Report.

APPENDIX

SUMMARY OF
FINANCIAL STATEMENTS



1H20 – Group Income Statement

<i>(in € million)</i>	1H20	1H19	% Change	LTM
Revenue	168.2	378.1	-55.5%	510.7
Gross Profit	30.6	76.3	-59.9%	80.3
Other Operating Income	8.6	9.9	-13.1%	18.2
OPEX	-50.2	-68.3	-26.5%	-122.3
EBITDA	26.7	58.7	-54.5%	55.8
<i>Margin</i>	15.9%	15.5%	+0.4pps	10.9%
D&A	-35.9	-40.7	-11.8%	-77.8
EBIT	-11.0	17.9	-	-23.8
Interest Expense (Net)	-24.3	-23.3	-4.3%	-49.0
Exchange Differences	-1.6	4.4	-	-2.6
Other	-5.9	-0.5	-	-36.6
EBT	-42.8	-1.5	-	-112.0
NIATMI	-42.9	-21.9	-95.9%	-125.2
NIATMI Continuing	-42.9	-30.8	-39.3%	-124.0
NIATMI Discontinued	-	8.9	-100.0%	-1.2

1H20 – Group Statement Of Financial Position

(in € million)

	1H20	FY19
Tangible Assets	149.4	168.7
Intangible Assets	235.5	242.9
Other Non-current Assets	40.4	47.4
Inventories	38.0	35.6
Trade and Other Short-term Receivables	137.1	131.8
Cash and Cash Equivalents	137.5	171.1
Total Assets	737.9	797.5
Share Capital	47.1	47.1
Other Equity Elements	-186.7	-140.5
Non-controlling Interests	-9.1	0.2
Total Shareholders Equity	-148.7	-93.2
Long-term Debt	725.3	727.3
Provisions / Other Long-Term Liabilities	24.0	27.6
Short-term Debt	35.3	37.9
Other Short-term Liabilities	102.0	97.9
Total Liabilities	886.6	890.7
Total Equity And Liabilities	737.9	797.5

1H20 – Group Cash Flow

(in € million)

1H20

1H19

EBT from continuing operations	-42.8	-1.5
EBT from discontinued operations	0.0	8.8
Plus/less Adjustments	68.4	50.8
Decrease/(increase) of Inventories	-3.0	1.1
Decrease/(increase) of Receivable Accounts	0.1	3.2
(Decrease)/increase of Payable Accounts	3.4	-9.9
Income Tax Paid	-8.8	-3.5
Net Cash from Operating Activities	17.3	49.0
Net CAPEX	-15.2	-31.7
(Purchases) / Sales of subsidiaries & other investments	-1.2	7.3
Interest received	0.5	3.0
Dividends received	2.0	8.3
Net Cash from Investing Activities	-13.9	-13.1
Cash inflows from loans	40.6	44.9
Repayment of loans	-41.4	-53.8
Repayment of Leasing Obligations	-3.5	-3.7
Interest and similar charges paid	-23.3	-24.1
Dividends paid	-7.9	-33.0
Net Cash from Financing Activities	-35.5	-69.7
Net increase / (decrease) in cash for the period	-32.1	-33.8
Exchange differences	-1.5	-
Cash at the beginning of the period	171.1	162.5
Cash at the end of the period from total operations	137.5	128.7

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