

Corporate Responsibility

Report 2018



intralot

Corporate Responsibility

Report 2018



COMMUNICATION ON
PROGRESS

This is our **Communication on Progress**
in implementing the principles of the
United Nations Global Compact and
supporting broader UN goals.

We welcome feedback on its contents.

CONTENTS

1.0

INTRO Message

Message from the Chairman & CEO

2.0

INTRALOT Group

2.1	Strategy and Worldwide Presence.....	09
2.2	Products and Services Portfolio.....	15
2.3	Organizational and Shareholder Structure....	19
2.4	Risks and Opportunities.....	20
2.5	Memberships and Distinctions.....	22

3.0

Corporate Responsibility

3.1	Managing Corporate Responsibility.....	25
3.2	Material Topics.....	26
3.3	Stakeholder Engagement.....	28

4.0

Governance and Compliance

4.1	Overview.....	33
4.2	Board of Directors.....	35
4.3	Risk Management.....	37
4.4	Management Systems Standards and Certifications.....	43

5.0

Responsible Gaming

5.1	Overview.....	49
5.2	Research.....	56
5.3	Employee Training.....	57
5.4	Product and Service Features.....	59
5.5	Remote Gaming.....	61
5.6	Responsible Communication.....	63
5.7	Players Awareness and Training.....	65

6.0

Employee Wellbeing

6.1	Overview.....	71
6.2	Positions and Benefits.....	71
6.3	Development and Training.....	76
6.4	Health and Safety.....	81
6.5	Equality and Diversity.....	82
6.6	Human Rights and Bargaining.....	84

7.0

Economic Sustainability

7.1	Overview.....	87
7.2	Financial Performance and Shared Value.....	87
7.3	Innovation and Research.....	90
7.4	Responsible Procurement.....	92

8.0

Societal Support

8.1	Overview.....	97
8.2	Society Support.....	98
8.3	Materials and Waste.....	104
8.4	Energy and Emissions.....	107

9.0

About the Report

9.1	Scope and Development.....	113
9.2	Global Compact Table.....	115
9.3	GRI Content Index.....	116
9.4	Glossary.....	123
9.5	Feedback Form.....	125

1.0 INTRO MESSAGE



Message from the CHAIRMAN & CEO

In today's dynamic business environment, innovation continues to drive technology and social advances, which create new potential but also new risks and challenges. New gaming concepts and technologies and changing consumer habits combined with stricter market regulations and highly competitive market conditions within the lottery and gaming industry, have highlighted evolution and adaptation as prerequisites for long-term business success. In parallel, society sets new demands on organizations and governments and individuals alike expect more transparency, integrity, trust and ethical conduct from corporations as well as diffusion of sustainability principles across their value chains.

Being determined to secure INTRALOT's leading position in the industry and preserve the organization needed to generate added value for all our Stakeholders, one of our core values since our inception is to maintain a long-standing commitment to operate in line with responsible operation standards and principles, such as the UN Global Compact and its Sustainable Development Goals. In our effort to drive the continuing momentum of our operations, we have identified the following five main areas of Corporate Responsibility to inspire our responsible behavior across our global operations, where we implement related practices and apply respective standards to contribute to our growth and benefit all our Stakeholders.

- ▶ Governance and Compliance;
- ▶ Responsible Gaming;
- ▶ Employee Wellbeing;
- ▶ Economic Sustainability, and
- ▶ Societal Support.

The tangible expression of our commitment to align our business activities with responsible operation standards and transparently integrate corporate responsibility practices into our core business is our annual Corporate Responsibility Report, which improves and expands each year, as we measure and document how we achieve our commitment related to responsible operation. The present Corporate Responsibility Report 2018 briefly outlines the main initiatives we have undertaken to advance in all above areas and highlights the meaningful progress we have achieved during the year. The Report has been prepared according to the Global Reporting Initiative's Sustainability Reporting Standards for the first time and presents our performance with clear and

measurable indicators, in an effort to strengthen engagement and broaden dialogue with all our Stakeholders as well as ensure organizational transparency and accountability.

As I reflect on 2018, I am proud of what we have accomplished together with our people. On behalf of INTRALOT's Board of Directors, I need to state we are encouraged by the respective achievements to continuously evolve and conduct our operations ever more responsibly. Among others within 2018, INTRALOT:

- ▶ Communicated the Code of Conduct to 100% of its employees;
- ▶ Displayed Responsible Gaming information and messages to 100% of its games and terminals;
- ▶ Increased the number of unique employees trained through classroom training programs by 31.3%;
- ▶ Allocated 58% of procurement expenses to local suppliers;
- ▶ Reduced electricity consumption and carbon dioxide emissions by 15.4% and 14% respectively.

2018 was also a milestone year for our long-term business ethics and compliance practices, as INTRALOT was one of the first gaming companies to receive the ISO 37001:2016 certification for having implemented an Anti-Bribery management system covering the entire organization, which reaffirms our corporate culture of transparency, integrity and compliance and demonstrates our commitment to address any ethical concerns relevant with our industry. Moreover, INTRALOT renewed its WLA Responsible Gaming Framework Certification, the most prestigious industry certification, which confirms our company's commitment to develop technologies and deploy operational practices in accordance with the industry's most stringent Responsible Gaming standards.

As I look to the future, I would like to thank all our Stakeholders for their trust in our Group and commit that INTRALOT will persistently continue its efforts to increase the number and improve the quality of responsible operation initiatives we undertake to achieve sustainable and responsible growth. I invite you to study this Report and explore our overarching Corporate Responsibility strategy, along with the initiatives undertaken and the progress made to achieve our related objectives.

Sokratis P. Kokkalis
Chairman & CEO, INTRALOT Group

2.0 INTRALOT GROUP





2.1 Strategy and Worldwide Presence

INTRALOT at a glance

INTRALOT is a public listed company established in 1992, with €0.9 billion turnover and a global workforce of approximately 5,200 employees in 2018. Being an innovation-driven corporation uniquely positioned to offer to lottery and gaming organizations across geographies market-tested flexible, reliable and secure gaming products and services, the Company is a leading gaming solutions supplier and operator active in 47 regulated jurisdictions around the globe. In 2018, INTRALOT handled approximately €17.5 billion of wagers and currently has approximately 285,000 of its proprietary terminals deployed worldwide.

Based on its strategic approach 'The Intelligent Future of Gaming', INTRALOT has invested in next-generation gaming solutions and services to support Lotteries' modernization and digital transformation, which focus on the players' modern needs and offers entertainment experiences through all distribution channels, across all verticals (Lottery, Betting, Interactive, VLTs). INTRALOT has adopted a global growth strategy designed around synergies with local partners, which aim to expand its market penetration capacity and diversify its product portfolio in local markets.

As member of the UN Global Compact, INTRALOT is a global corporate citizen committed to sustainable development and is an active proponent of the principles of Responsible Gaming, being awarded with the WLA Responsible Gaming Framework Certificate.

The Company maintains the highest security certifications, as INTRALOT has been the first certified international vendor in the gaming sector according to the World Lottery Association (WLA) Security Control Standard in 2008, being recertified with up to date Control Standard, and has been certified according to ISO 27001 for its Information Security Management System (ISMS). The Company's current WLA SCS:2016 and ISO 27001:2013 certifications cover INTRALOT Headquarters and 20 additional subsidiaries' operations around the world. Furthermore, INTRALOT has been certified according to ISO 9001 (Quality Management System) since 2002, ISO 14001 (Environmental Management System), ISO 20000 (IT Service Management System), ISO 29990 (Learning Services) and ISO 37001 (Anti-Bribery Management System).

Among other distinctions, INTRALOT has received the GOLD SEE G award by EBEN GR (European Business Ethics Network) for Business Ethics, Corporate Governance and Corporate Social Responsibility, while the Company's General Technical Division was awarded the Recognized for Excellence in Europe - 5 Stars distinction by the European Foundation for Quality Management (EFQM). Furthermore, INTRALOT ranks among EU's top industrial R&D spenders according to the EU Industrial Research & Development Investment Scoreboard for the past 12 years, highlighting the company's accelerated performance in extensive investment on technology innovation.

INTRALOT contributes decisively to the industry's future developments, being a member of major Lottery and Gaming Associations around the globe: Platinum Contributor of WLA, Premium Partner of European Lotteries, Level I of NASPL (North American Association of State & Provincial Lotteries), Star Contributor of CIBELAE (Lottery Association for South America and the Iberian Peninsula), Gold Sponsor of APLA (Asia Pacific Lottery Association), Member of GSA (Gaming Standards Association), Gold Member of AGEM (Association of Gaming Equipment Manufacturers), and Associate Member of GLMS (Global Lottery Monitoring System), the state lotteries' mutualized monitoring system on sports betting.

The gaming industry

The gaming industry consists of lottery games, casinos, sports betting, bingo, horse racing, gaming machines and online gaming. The total Gross Gaming Revenues (Gross Turnover minus the amount paid to players' winnings) is estimated to have grown to €391.3 billion in 2018 from €230.2 billion in 2003, with a predicted Compound Annual Growth Rate (CAGR) of 2% from 2018 to 2023, according to H2GC, the leading source of data regarding the global gambling industry.

Total Global Gross Gaming Revenues

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	CAGR 2018- 2023
Africa	2.8	3	3.2	3.4	3.6	3.8	3.9	4	4.1	4.2	4.2	2.3%
Asia / Middle East	142.2	145.3	130.1	128.5	137.1	147.4	151.1	155.8	155.9	160.6	163.4	2.1%
Europe	87.6	89.2	93.3	98.4	100.7	102.2	101.7	102.5	104	106.1	108.1	1.1%
Latin America and the Caribbean	6.4	7.1	7.6	8.1	8.6	8.9	9.3	9.8	10.1	10.4	10.7	3.8%
North America	98.5	99.1	101.4	106	107.6	112	116.2	119.5	122.5	124.9	127	2.5%
Oceania	14.9	15.2	16.3	17.2	16.9	17.1	17.5	17.7	18	18.2	18.5	1.6%
GLOBAL TOTAL	352.3	358.9	351.9	361.6	374.5	391.3	399.7	409.3	414.6	424.4	431.9	2%

Source: H2GC, Global Summary February 2019 | Figures for 2018-2023 are estimates | Amounts in billion euros.

The Group considers approximately 65% (as per the estimated 2018 figures) of total GGR as its addressable market, which includes lottery games, sports betting, horse racing, gaming machines, interactive gaming and other activities (e.g. bingo), without including casinos and Native American (i.e. Indian) gaming.

Gross Gaming Revenues per product

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	CAGR 2018- 2023
Betting	42.2	45.8	47.3	50.7	53.8	60.8	63	68.1	71	75.6	77.7	5%
Casinos	125.8	126.5	116.2	118.4	127.3	134.9	139.3	142.4	145.4	147.9	150.5	2.2%
Gaming ma- chines	83.6	83.1	83.9	83	82.8	81.5	80.4	80.1	77.4	77.8	78.6	-0.7%
Bingo / Other gaming	8	8.1	8.5	9.2	9.5	9.8	10.2	10.5	10.8	11.1	11.4	3%
Lotteries	92.5	95.4	96	100.4	101.1	104.4	106.8	108.1	110	111.9	113.7	1.7%
GLOBAL TOTAL	352.3	358.9	351.9	361.6	374.5	391.3	399.7	409.3	414.6	424.4	431.9	2%

Source: H2GC, Global Summary February 2019 | Figures for 2018-2023 are estimates | Amounts in billion euros

Within the last few years, the industry has witnessed a significant increase in interactive gaming, which includes desktop, mobile and iTV. Europe is the leading market in global interactive GGR with a 53.2% share and the global 'interactive GGR to total GGR' ratio in 2023 is expected to reach approximately 14.2%, with Europe having the highest forecasted ratio (29.5%).

Interactive Global Gross Gaming Revenues

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	CAGR 2018-2023
Africa	0.2	0.2	0.3	0.3	0.3	0.4	0.4	0.4	0.5	0.5	0.5	6.1%
Asia / Middle East	8	8.8	9.5	10.3	11.1	12.1	12.9	13.7	14.4	15.2	15.9	5.6%
Europe	12.8	14.9	16.7	18.7	21.2	23.6	25.1	26.9	28.4	30.3	31.8	6.2%
Latin America and the Caribbean	0.3	0.4	0.4	0.5	0.5	0.6	0.8	1	1.1	1.2	1.3	16.6%
North America	4	4.3	4.3	4.5	4.7	5.3	6.3	6.9	7.6	8.4	8.9	10.9%
Oceania	1.5	1.7	2	2.4	2.4	2.4	2.5	2.6	2.7	2.9	3	4.4%
GLOBAL TOTAL	26.9	30.2	33.2	36.6	40.3	44.4	47.9	51.5	54.7	58.4	61.5	6.7%

Source: H2GC, Global Summary February 2019 | Figures for 2018-2023 are estimates | Amounts in billion euros

History

25 Years of growth



INTRALOT was established in 1992 and its Headquarters are located in Athens, Greece (64, Kifissias Ave. & 3, H. Sabbagh / S. Khoury St., 151 25 Athens, Greece). Since 1999, the Company has been publicly listed on the Athens Stock Exchange.

Vision



Transforming field experience from gaming operations into intelligent solutions that meet customer needs in the digital era and create value for all stakeholders in sustainable ways.

Mission

- ▶ To deliver innovation driven by experience
- ▶ To modernize licensed lotteries in today's digital world and supply them with entertaining gaming options, exciting omni-channel content, integrated best-in-class technology solutions, flexible future-proof platforms and value added services
- ▶ To operate lotteries in a secure, reliable and transparent manner, consistently providing engaging player experiences across all verticals

Strategy and Strengths

Responding to long-term challenges, the Group's strategy provides a 'roadmap' for its operations and future actions, which focuses on the following pillars:

Group Strategy

Maintain leadership in technology innovation and streamline technology development

Continuously invest in R&D activities to develop leading technology solutions and introduce measures to enhance operational agility, performance and efficiency.

Expand footprint through strong local partnerships

Establish partnerships with well capitalized and experienced local partners in certain markets and utilize their knowledge and understanding of the local market and regulatory environment to operate more efficiently.

Value creation driven by increased cash flow generation, margin expansion and improving longer-term revenue visibility

Create synergies and efficiencies through strategic partnerships and effective management of long-term contracts.

Disciplined capital allocation aimed to de-lever and optimize capital structure

Steadily de-lever business through additional cash flows generated by expected operational and financial synergies and efficiencies as well as expected positive cash flows impact from the shift to an 'asset-light' model.

Unwavering Commitment to Responsible Gaming, Social Responsibility and Integrity

Promote Responsible Gaming, Social Responsibility and Integrity worldwide in any type of engagement.

As a result of the Company's global presence, proprietary technology and track record of innovation, INTRALOT:

- ▶ Is a global leading supplier of integrated gaming systems and services, being well diversified geographically and with a balanced presence in both developed and developing markets as well as a leading market position in licensed gaming in most of the highly regulated markets in which the Company operates
- ▶ Has been selected by various betting and lottery operators worldwide to provide its lottery products and services
- ▶ Has successfully utilized local partnerships to expand into new markets
- ▶ Is consistently awarded with multiple long-term contracts and contract renewals, with approximately 66% of the 2018 revenues generated through multi-year contracts or renewable licenses available until 2023 (although actual revenues that may be generated in the future from these contracts may increase or decrease) or approximately 71% if the contracts' extension options are included

Worldwide Presence

Within over 20 years of operation, INTRALOT has presence in 47 regulated jurisdictions in all 5 major continents. In 2018, INTRALOT Group operated a portfolio of 83 contracts for a wide range of products (such as gaming systems, terminals, alternative distribution channels and VLTs) and gaming applications (such as lotteries, instant lotteries and fixed odds betting).



The Group's various B2B/B2G and B2C engagements consist of the following three types of contractual arrangements.

Contracts breakdown and key markets by contract role



Technology and Support Services Contracts



Management Contracts



Licenced Operations

Description

- ▶ Central gaming system
- ▶ Lottery terminals
- ▶ Telecommunications system/solutions
- ▶ Related peripheral equipment and software
- ▶ Implementation services
- ▶ Maintenance and support services
- ▶ Monitoring systems for VLT operations

- ▶ Provision of technology solutions described in 'Technology and Support Services Contracts'
- ▶ Day-to-day operations
- ▶ Marketing services
- ▶ Sales network development and management
- ▶ Risk management/odds setting for sports betting games

- ▶ Management of services described in 'Management Contracts'
- ▶ Provision of technology solutions described in 'Technology and Support Services Contracts'

Contribution

23.3% of Revenues
44.4% of GGR
32% of EBITDA

10.4% of Revenues
19.8% of GGR
33.9% of EBITDA

66.3% of Revenues
35.8% of GGR
34.1% of EBITDA

Operations

58 individual technology and support services contracts across **39** jurisdictions through **16** subsidiaries

4 management contracts in **2** jurisdictions through **3** subsidiaries

21 individual licenses across **9** jurisdictions through a combination of wholly and partially owned subsidiaries and joint ventures

Markets

Argentina | Australia | Azerbaijan | Bosnia and Herzegovina | Chile | Croatia | Germany | Greece | Ireland | Jamaica | Malaysia | Malta | Netherlands | New Zealand | Peru | Philippines | Taiwan | United States

Morocco | Turkey

Argentina | Brazil | Bulgaria | Cyprus | Greece | Italy | Malta | Peru | Poland

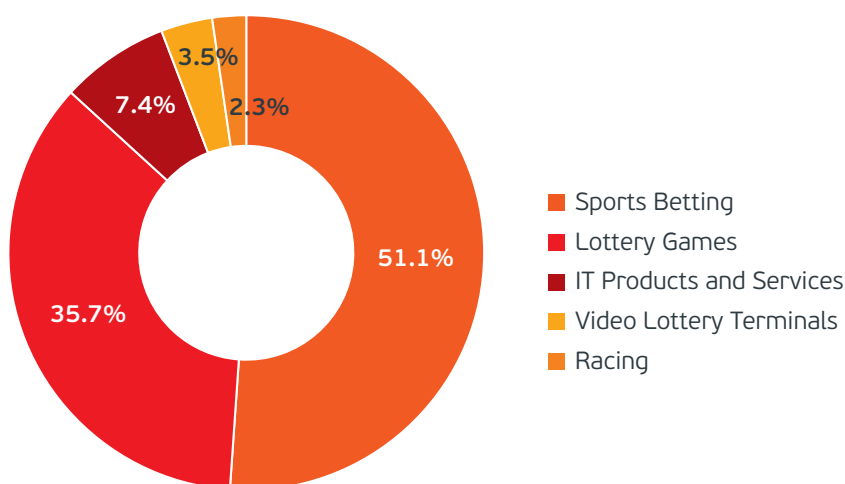
During 2018, INTRALOT systems handled approximately €17.5 billion of wagers worldwide from continuing operations, decreased by 2.9% compared to 2017. The Group handled increased volume of wagers in Africa and North America (21.6% and 2.7% respectively), while wagers handled in East Europe, West Europe, Asia and South America decreased by 12.9%, 1.9%, 3% and 8.7% respectively, compared to 2017.

2.2 Products and Services Portfolio

Products and Services

INTRALOT Group designs, develops, operates and supports various innovative and customized hardware and software solutions as well as services for the gaming industry.

Revenue Structure



Products

INTRALOT Group offers a broad range of products to support lottery, sports betting, Video Lottery Terminals and racing as well as interactive games for its customers and operations.

INTRALOT Lottery Solution

The new INTRALOT Lottery Solution features open, future-proof architecture with centralized management and allows flexible and fast integrations, in order to provide true omni-channel player experience, safeguard the optimum content, services and sales channels deployment and optimize the entire player journey, including player engagement towards player retention. The solution includes a complete draw-based games library with numerous third party collaborations and allows easy introduction of new games to all customer's touchpoints.

Lotos X

Lotos X is a configurable games and draw management platform with fully customizable game templates, which enables lottery operators to design, configure, and implement their entire gaming offering as well as manage the entire game and draw lifecycle (e.g. draw management, real time monitoring of sales performance, control wager operations, payments authorization).

INTRALOT Sports Betting Solution

INTRALOT Sports Betting Solution consists of the versatile sports betting platform INTRALOT Orion, tailored Managed Trading Services (MTS) and a wide





range of retailer and player terminals. The solution is designed to support and enhance sports betting operations and includes various betting options to enable a connected player experience and drive growth across channels.

INTRALOT Orion

INTRALOT Orion is the single point of control of all online and offline player touchpoints (e.g. desktop, native mobile application, self-service terminals), regardless of their geographical location, with the ability to optimally combine and adapt content and services to the local market conditions. Built as an open system, the platform can easily integrate with third party software to create the optimal solution for each operator and offers a wide variety of risk management tools to effectively balance product attractiveness with profitability and handle the risks inherent in all fixed-odds betting operations.

Mobile App

Mobile App is a collection of components for operators to create mobile gaming experiences for their customers, which complement each other and consist of the following core elements:

- ▶ Mobile native apps for iOS and Android
- ▶ Campaign management platform
- ▶ INTRALOT Canvas

Player Pulse

INTRALOT Player Pulse is an advanced gaming Customer Relationship Management (CRM) platform to manage players in both retail and online operations and consists of four key modules (Player Account Management system, Marketing Tools suite, Risk, Fraud and Payments module and Game

Management console) to optimize revenues and marketing spending.

Remote Gaming Server

INTRALOT Remote Gaming Server (RGS) is a software platform for 'all-in-one' connection to INTRALOT's innovative gaming content, which handles player betting transactions and implements game mechanics based on Random Number Generator (RNG) values. RGS enables integration with third party platforms and supports HTML 5 to offer a seamless experience across all retail and online channels, formats and devices.

Canvas Retailer

Canvas Retailer is an advanced terminal software solution for Points of Sale to allow flexibility for operators to offer content and games, while also featuring rapid and secure transaction processing.

Canvas Signage

Canvas Signage is an integrated solution for content management, real-time delivery of updates, and playout for all game verticals, which allows operators to centrally manage and synchronize content throughout each signage screen in retail operations.

Retailer Pulse

INTRALOT Retailer Pulse is an advanced CRM platform with intuitive user interface, which allows land-based operators to align their various operations. The platform consists of interconnected configurable features for various activities (e.g. out-of-the-box micro-segmentation, bilateral communication, personalized portals) to enable optimal information flow and optimal user access.

INTRALOT Canvas

INTRALOT Canvas is an innovative 'all-in-one' content management system, which allows operators to centrally manage content distribution for multiple game verticals across all sales channels. The solution is ideal for online operators, as it combines user-friendly interface with embedded software tools, such as data analytics and gaming-specific functionalities.

Device Management System

INTRALOT Device Management platform performs a wide range of functions (e.g. remote monitoring, incident management, reporting and analytics) to simplify multi-device management and allows integrations with third party back office systems.

iGEM

The iGEM Central Monitor System is an integrated solution to monitor and control large-scale gaming networks and provides comprehensive reporting, accounting, auditing and secure management of Gaming Venues and EGMs/VLTs.

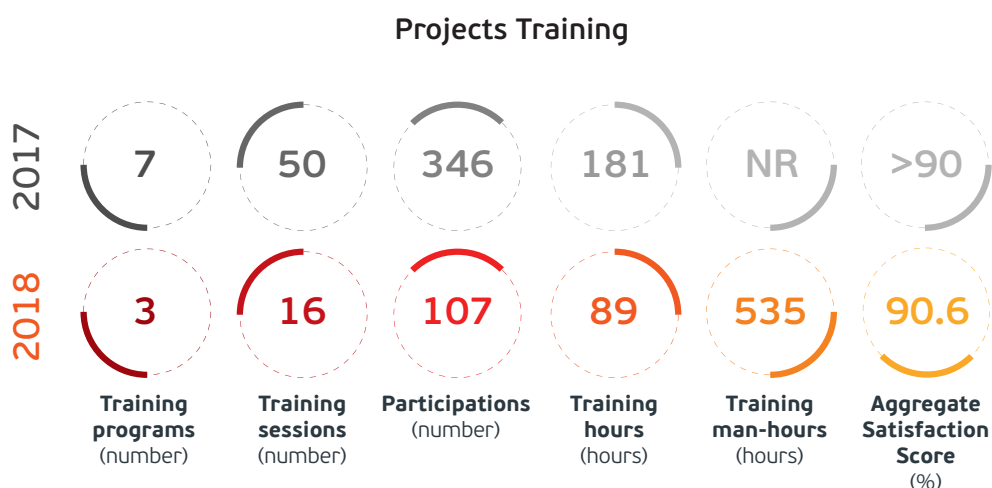
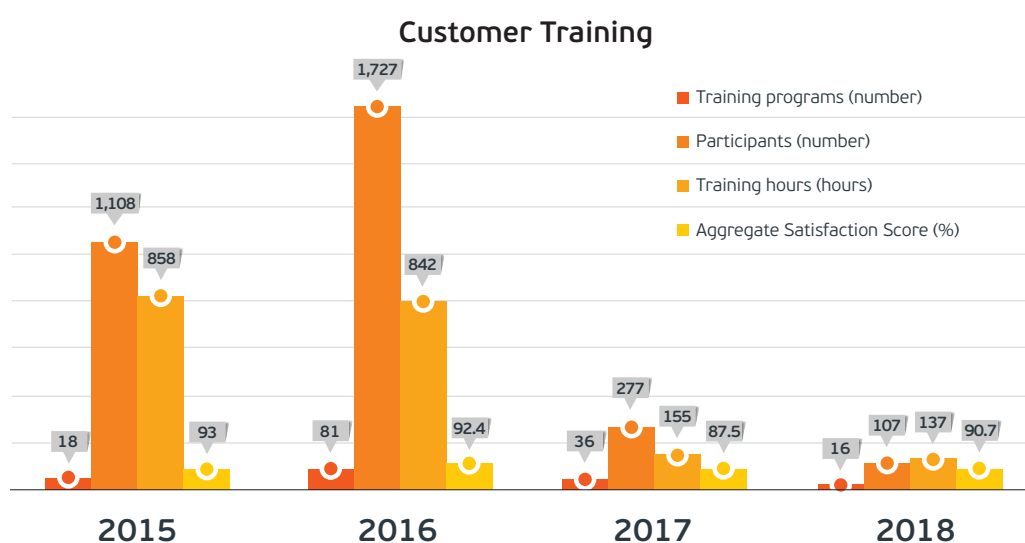
Commercial Retail Solutions

INTRALOT Commercial Retail Solutions offer a wide range of terminals combined with the proper software platform and gaming engine to meet all retailers' needs. The wide range of terminals deployed worldwide includes Retailer Touchpoints (i.e. Photon, Proton, Microlot, Genion) and Self-Service Terminals (i.e. GameBase, GameKiosk, GameStation, SSBT, Dreamtouch Lite, Dreamtouch Lite X, MPNG, DREAMTOUCH and DREAMTOUCH SMART).

Services

INTRALOT Group's services cover the full range of day-to-day operational activities of Lottery organizations. As of 2018, the service portfolio consists of the following services:

- ▶ Technical support and training, which include after-sales technical support, help desk support for retailers, lottery employees and players, preventive and corrective maintenance of central systems, field maintenance of equipment installed at retailer locations, operational and technical support training, marketing seminars and various training modules for lottery and betting operators
- ▶ System operation services, which include operation and administration of gaming systems, networks and technology infrastructures
- ▶ Marketing services for marketing consulting and support to customers all over the world (i.e. Market Research and Analysis, Game Design and Analysis, Marketing Communication, Sales Network Design and Development)
- ▶ Betting services, which include Managed Trading Services to handle the risks in fixed-odds betting operations, Player Services to add value to the overall player experience and Betting Consulting Services to cover all aspects of managing a sport betting operation
- ▶ Interactive managed services to lotteries, state and state licensed organizations, which include digital marketing, business analytics, media and gaming as well as technology and operational services
- ▶ Supply Chain Management, which include warehousing, logistics and distribution services
- ▶ Media broadcasting, which include animated information and targeted messaging, a 24-hour lottery dedicated media channel and virtual studio draws
- ▶ Knowledge transfer, which include transfer and application of successful practices related to operational excellence, product design and implementation
- ▶ GDPR compliance, which include organizational, procedural and technical controls to ensure personal data protection in response to the EU General Data Protection Regulation (GDPR)



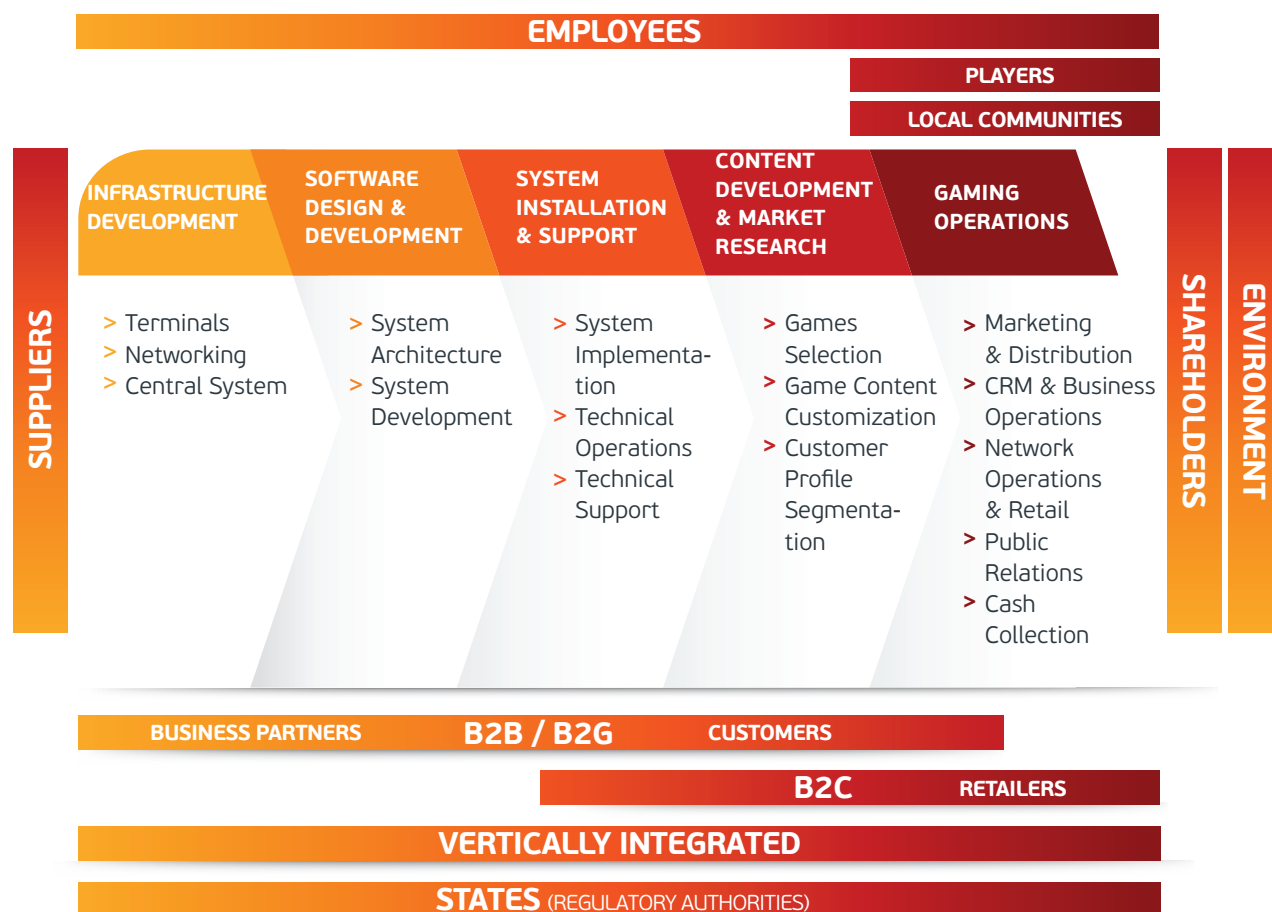
NR= Not Reported

Value Chain

INTRALOT Group is a leading partner of licensed gaming operators worldwide, as a supplier of integrated gaming and transaction processing systems, pioneering hardware and software, innovative game content, sports betting management and interactive gaming services. At the same time, the Group is a licensed gaming operator in its own right, operating in several countries around the world.

For its operations, the Group utilizes inputs from its Suppliers (materials, equipment, services and know-how), either to its production units around the world or directly to the Company itself as well as input from States and Regulatory Authorities (decisions and provisions for regulation of local gaming market). The Group provides its products in the B2C market through its own sales networks, which include internet-based channels and Points of Sale, following agreements with Retailers. As a technology provider in the B2B market, INTRALOT Group cooperates with Business Partners to provide its products and services to licensed gaming operators (Customers), in order for them to provide its games to Players. Throughout its value chain, the Group remains committed to safeguard the interests of Shareholders, contribute to the Local Communities and reduce its impact on the Environment.

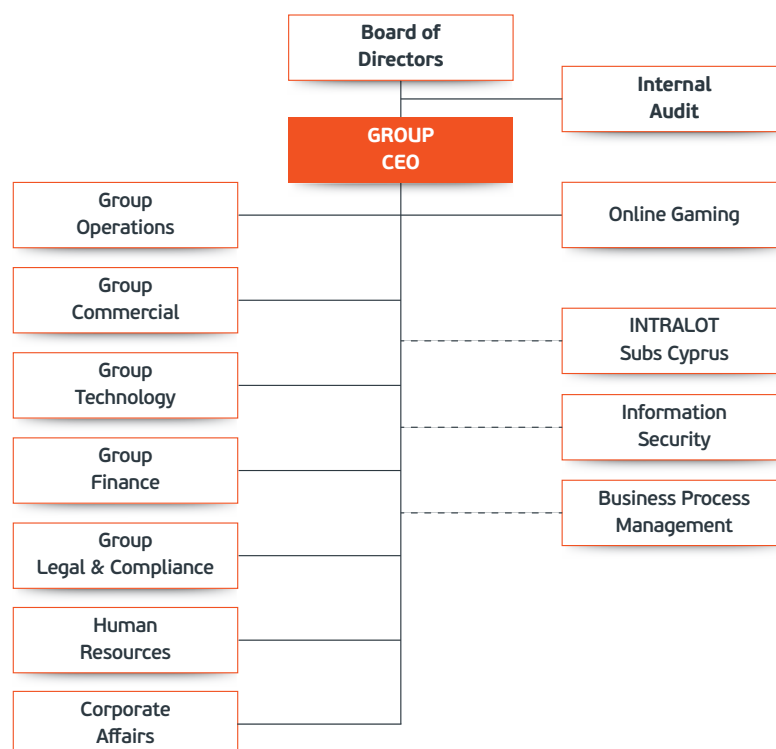
 **Satisfaction** rate from customer and projects training programs reached **90.7%** and **90.6% respectively**



2.3 Organizational and Shareholder Structure

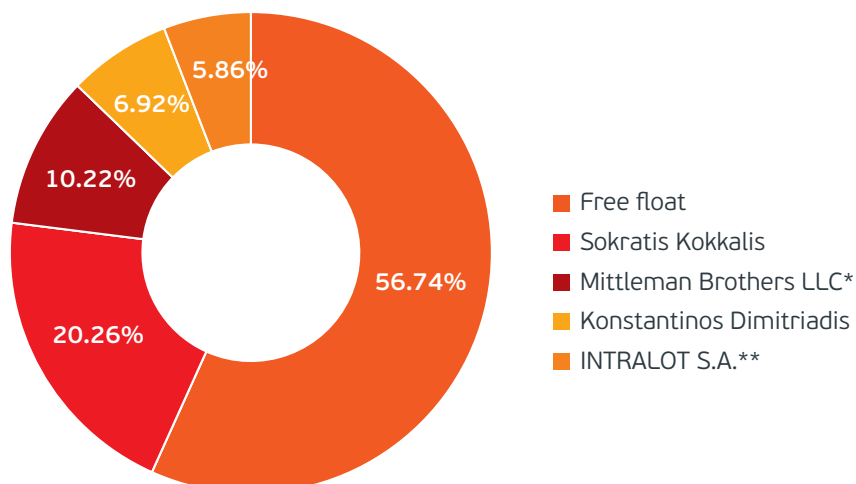
Organizational structure

The Company's organizational structure with the main functions and divisions is depicted below.



Shareholder Structure

INTRALOT's share capital amounts to €47,088,516.30, divided into 156,961,721 nominal shares at €0.30 each. All Company shares are common registered shares with a voting right and are introduced to the Athens Stock Exchange, in the Mid Capitalization category, under 'Gaming Sector'.



*Mittleman Brothers LLC own directly or indirectly and represent voting rights of 10.216% of the corporate share capital.

** INTRALOT S.A. holds treasury shares representing 5.861% of the corporate share capital. Data refer to 31/12/2018.

2.4 Risks and Opportunities

Risks

Due to the nature of the industry and the corresponding economic and social challenges, gaming companies are exposed to the following risks:

Risks in the Gaming Industry

Source	Level of Risk
Diversity of social, cultural and religious profiles in foreign countries	Moderate
Possibility that gaming may result into a pathological addictive behavior	Moderate
Constantly changing taxation schemes in various jurisdictions	Moderate
Potential security issues from threats to online and interactive gaming	Moderate
Conditions within the supply chain (e.g. product quality, labor practices, human rights)	Moderate
Environmental impact of operations (e.g. materials consumption for hardware production, energy consumption for production and business operations)	Moderate
Political and regulatory environment	High
Legal framework and legislation for various issues (e.g. minors' protection, violation of jurisdictional prohibitions, money laundering, fraud and corruption)	High
Potentially increased regulation as a result of negative publicity associated with excessive gaming	High
Impact from illegal gaming activities to the regulated industry's revenues	High
Conditions of the macroeconomic environment	High
Volatility of players' gaming spending	High

Operating within an industry which has to address serious issues such as money laundering, corruption, and bribery as well as gaming addiction and its social repercussions, INTRALOT implements a wide range of monitoring and security systems to proactively deal with these issues, which go beyond the minimum legal requirements.



DID YOU KNOW? The Need to Tackle Illegal Gaming

According to the Council of Europe's Convention on the Manipulation of Sports Competitions, illegal gaming is defined as '... any wagering of a stake of monetary value in the expectation of a prize of monetary value, subject to a future and uncertain occurrence ... whose type or operator is not allowed under the applicable law of the jurisdiction where the consumer is located'. Basically, illegal gaming operators:

- ▶ Violate the licensed operators' intellectual property and territorial markets, as they operate in territories which are not allowed to operate
- ▶ Disregard national laws and tax-paying obligations
- ▶ Negatively affect licensed operators' investments on games and Responsible Gaming
- ▶ Enhance unfair competition within a jurisdiction
- ▶ Provide misleading information to players and do not protect vulnerable groups (e.g. minors, gaming addicted individuals)
- ▶ Undermine authorized gaming operators' efforts to contribute to good causes
- ▶ Have not established procedures and measures to ensure players' safety and security
- ▶ May utilize revenues to fund criminal organizations or money laundering activities

Opportunities

Despite the risks and challenges for the gaming industry, gaming companies can potentially benefit from various favorable circumstances within the industry, which include:

- ▶ The expansion of sports betting in the US market after the PASPA repeal (Professional and Amateur Sports Provision Act)
- ▶ The trend towards wider participation of private companies in Lottery operations
- ▶ The trend towards multi-sourcing of gaming technology and services
- ▶ The trend to liberalize and regulate online gaming at a country level
- ▶ The expansion of lottery gaming in previously restricted jurisdictions
- ▶ The convergence of gaming channels and products
- ▶ The role of technology towards the personalized provision of gaming products and services
- ▶ The proliferation of interactive technologies and interactive gaming applications across distribution channels and the digitization of the retail channel
- ▶ The rise of mobile technology and the increasing levels of mobile connectivity
- ▶ The introduction of new payment methods and the emergence of cashless gaming transactions
- ▶ The introduction of strict Anti-Money Laundering, Data Protection, and Fraud Prevention rules across jurisdictions
- ▶ The wider adoption of commercial services as a valuable lottery network overlay

INTRALOT Group is fully capable and well equipped to capitalize on these present and emerging opportunities within the lottery and gaming industry, as the Group:

- ▶ Has developed its next-generation of lottery and sports betting platforms and solutions for omni-channel delivery
- ▶ Has built its solutions with future proof technologies for new segments and services integrations
- ▶ Has developed an agile technology and service delivery model as well as strong Research and Development (R&D) capabilities for continuous innovations
- ▶ Consistently strengthens its operational capabilities and marketing expertise to assist its lottery customers
- ▶ Pursues new business opportunities across geographies through strategic partnerships with specialized suppliers and local companies

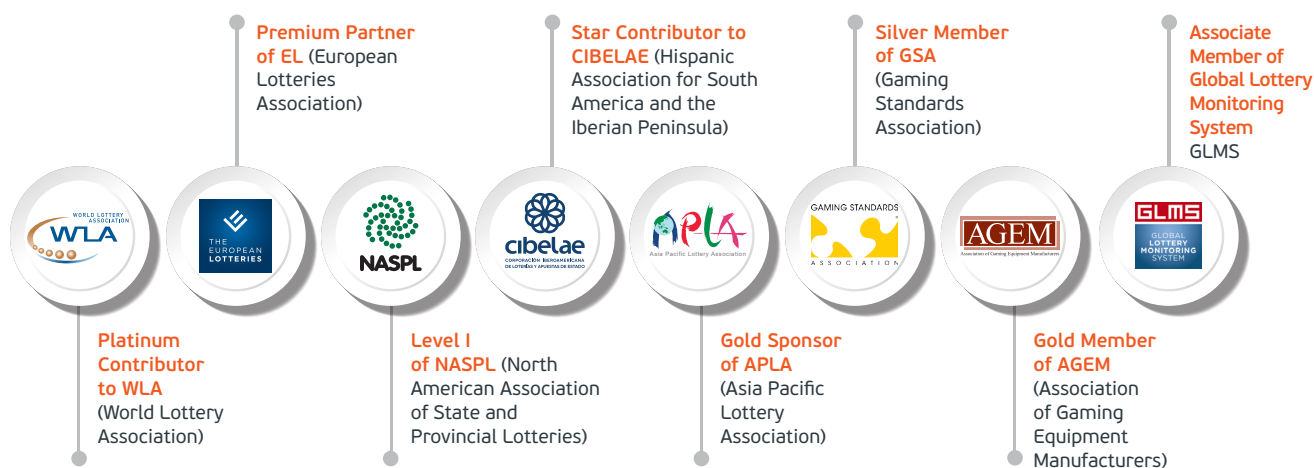
2.5 Memberships and Distinctions

Memberships

INTRALOT is a member in the following national and international associations and organizations, in order to promote issues related to the gaming industry as well as issues related to Corporate Responsibility:

Strategic Membership

Lottery and Gaming Associations



Corporate Responsibility



Trade Associations



Distinctions

Recognition of the Company's efforts to become more responsible is a moral reward and satisfaction to continue and implement the various long-term programs and initiatives. In 2018, the Company received the following:

- ▶ The distinction '**Diamond of the Greek Economy 2018**', being included in the New Times Publishing's list 'The Most Admired Enterprises in Greece', for its contribution to the Greek economy and global expansion as well as its continuous focus on business excellence and technological innovation
- ▶ The Gold Award in the **Responsible Management Excellence Awards 2018** (Responsible Management in Social - Environmental & Ethical Governance for Sustainable Excellence) organized by the European Business Ethics Network (EBEN), for its practices and contribution in the areas of Social Responsibility and Business Ethics
- ▶ Two awards in **Peak Performance Marketing Awards 2018** organized by Boussias Communications and, more specifically, the Gold Award in the '**Best Performance Attribution Solution**' category and the Bronze Award in the '**Best Use of Technology**' category, for its CANVAS CMS integration with Google Analytics, which utilizes data generated from customizable player experience (e.g. predictive analytics, user behavior analytics) and monitors player behavior across verticals (i.e. sports betting, lottery, casino, instant games)



Peak Performance Marketing Awards 2018

3.0 CORPORATE RESPONSIBILITY

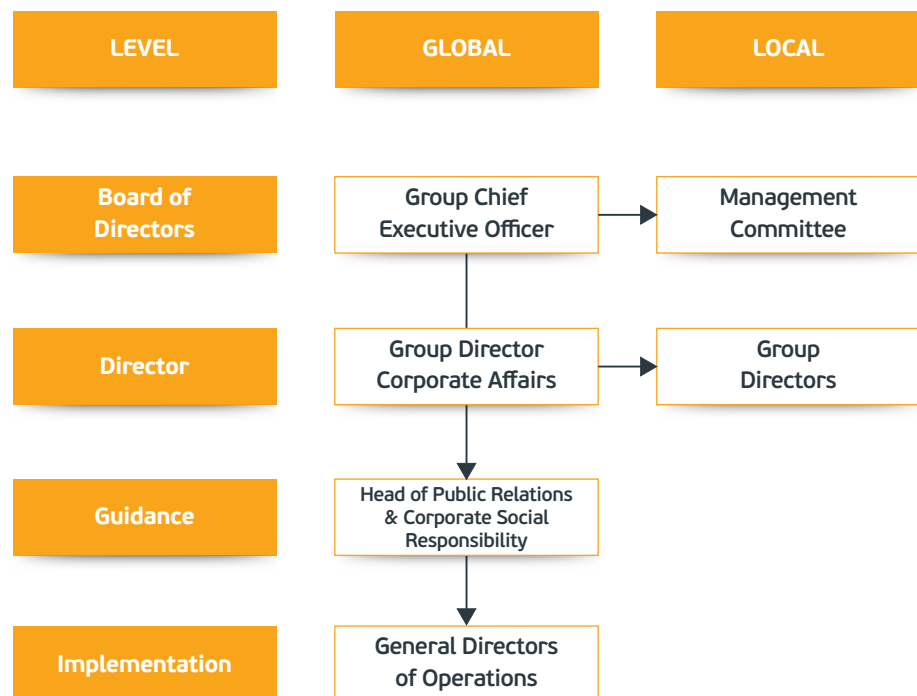


3.1 Managing Corporate Responsibility

Integrating Corporate Responsibility within the organizational structure

INTRALOT strives to create value for its Stakeholders and adhere to the highest levels of integrity, responsibility, innovation and sustainable growth. INTRALOT's management structure related to Corporate Responsibility is depicted below:

Corporate Responsibility Management

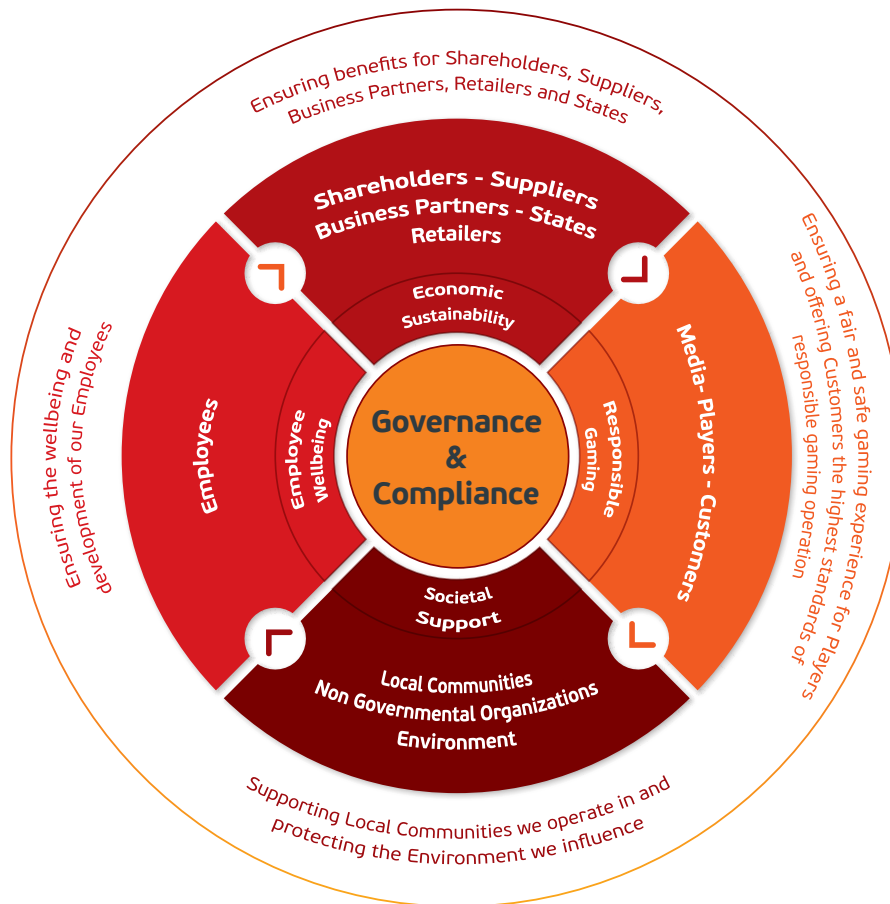


- ▶ At Board level, the overall responsible is the Group Chief Executive Officer, who is the Chairman of the Management Committee, with the leadership on Corporate Responsibility plan
- ▶ At director level, the Group Director Corporate Affairs is responsible to organize the relevant activities as well as to review the Group's Responsible Gaming program. The Group Corporate Affairs Division is assigned to manage the issue of Corporate Responsibility, in order to streamline activities and facilitate the Company's responsible operation, at a strategic, organizational, and operational level
- ▶ At operational level, the Head of Public Relations & Corporate Social Responsibility is responsible to guide, plan, implement and evaluate the Corporate Responsibility program as well as cooperate with other departments
- ▶ The Corporate Affairs Division interacts with General Directors of Operations and other Divisions within the Company, at a local and global level, to facilitate respective practices implemented

Managing Corporate Responsibility Systematically

Following the results of an internal analysis, INTRALOT has identified five strategic areas of Corporate Responsibility and the present Report describes INTRALOT's philosophy, strategy, and initiatives in these five areas and the related sub-areas, which also support corporate decisions on where to allocate resources, set objectives, and improve business practices.

Corporate Responsibility Framework



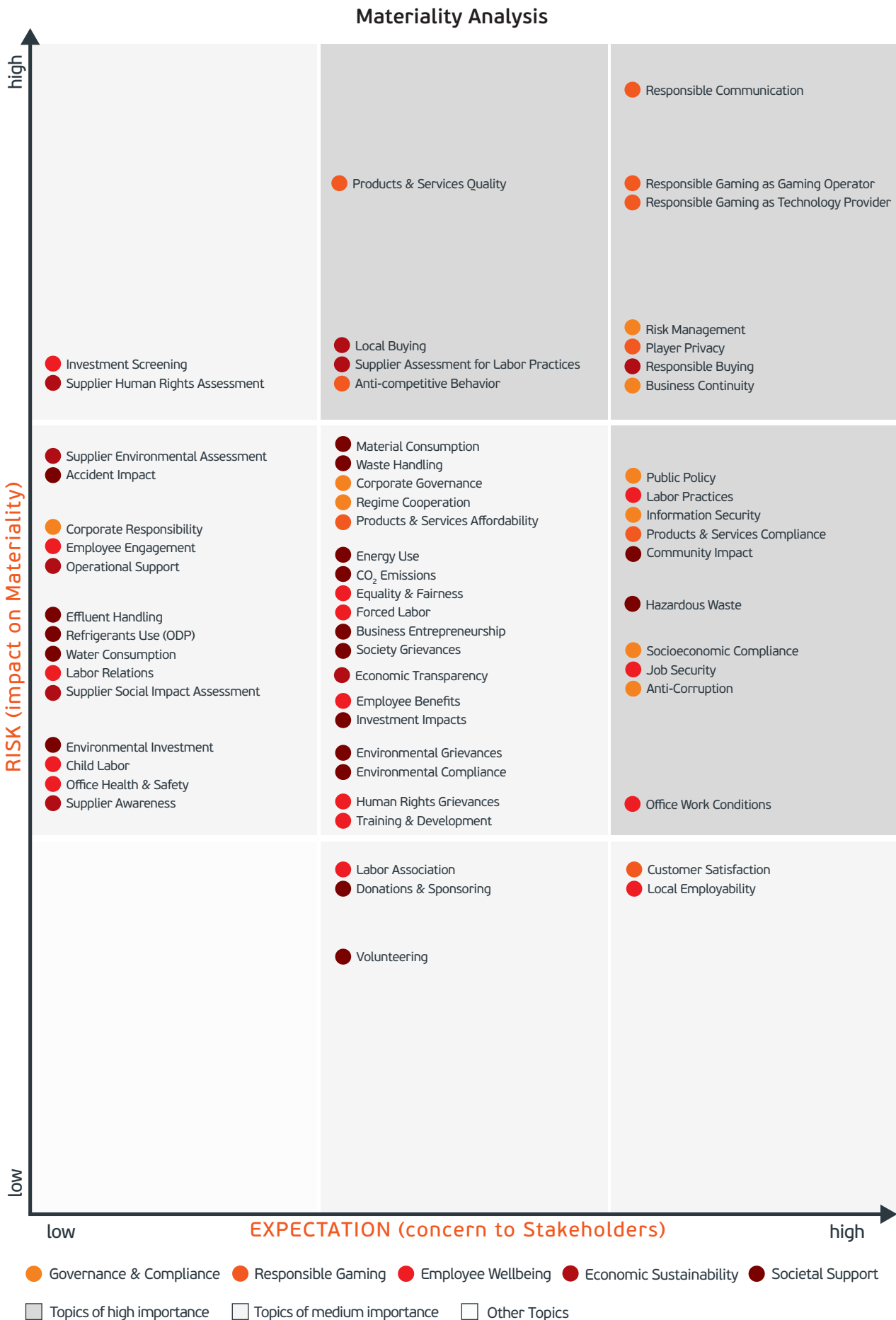
3.2 Material Topics

Recognizing Material Topics

In order to holistically examine topics that can or could affect its responsible operation and ensure that the content of this Report focuses on the Material Topics, INTRALOT conducted a Materiality Analysis, structured around four stages:

1. Identification of potential topics, through which over 90 topics were considered by reviewing:
 - ▶ Current industry practices
 - ▶ Future trends
 - ▶ Relevant industry related analyses by international organizations, such as the RobecoSAM's Sustainability Year book for the 'Casinos & Gaming' sector
 - ▶ Regulatory environment
2. Analysis of these topics in terms of associated Risk, according to the significance of the economic, social, and environmental impacts that the Company's activities, products, and operations either have or could have
3. Identification of Stakeholders' expectations, through analysis of their views as a result of relevant surveys that have been conducted (e.g. Customer Survey) and the indirect input from the departments which interact with each Stakeholder group
4. Combination of Risk analysis and Stakeholders' expectations to define the Material Topics that INTRALOT should focus on

The Materiality Analysis as well as the current Report, which were approved by the Group Corporate Affairs Director, depicts the Material Topics for 2018 in the grey shaded area of the below diagram:



3.3 Stakeholder Engagement

Interacting with Stakeholders

INTRALOT has a large number of internal and external Stakeholders, who can be defined as all those who are either affected by the Company's operations or affect its operations. The following table summarizes INTRALOT's Stakeholders (which have been identified through the respective departments), the methods of interaction with them as well as their main topics of interest, without distinct activities taking place as part of the Report preparation process.

Stakeholder Engagement

Stakeholder Group	Methods of Interaction (continuous, unless otherwise stated)	Main topics of Interest	Section in this Report
Players	<ul style="list-style-type: none"> ▶ Website ▶ Press releases ▶ Social media ▶ Articles (monthly) ▶ Interviews ▶ Surveys (annually) ▶ Points of Sale ▶ Call center ▶ Responsible Gaming questionnaires 	<ul style="list-style-type: none"> ▶ Responsible Gaming as Gaming Operator ▶ Responsible Communication ▶ Player Privacy ▶ Products and Services Compliance ▶ Information Security 	Responsible Gaming: 5.1-5.7
Customers	<ul style="list-style-type: none"> ▶ Formal communication ▶ Meetings ▶ Trainings ▶ Customer Complaint Service ▶ Customer Survey (annually) ▶ Website ▶ Press releases ▶ Social media ▶ Articles ▶ Newsletters ▶ Interviews ▶ Corporate profile brochures ▶ Products and Services brochures 	<ul style="list-style-type: none"> ▶ Responsible Gaming as Technology Provider ▶ Responsible Communication ▶ Player Privacy ▶ Products and Services Compliance ▶ Products and Services Quality ▶ Business Continuity ▶ Anti-Corruption 	Responsible Gaming: 5.1-5.7 Governance and Compliance: 4.3

Stakeholder Group	Methods of Interaction (continuous, unless otherwise stated)	Main Issues of Interest	Section in this Report
Suppliers	<ul style="list-style-type: none"> ▶ Formal communication ▶ Meetings (annually) ▶ Call center ▶ Website ▶ Press releases ▶ Social media 	<ul style="list-style-type: none"> ▶ Responsible Buying ▶ Local Buying ▶ Supplier Assessment for Labor Practices 	Economic Sustainability: 7.4
Business Partners	<ul style="list-style-type: none"> ▶ Meetings (annually) ▶ Formal communication ▶ Website ▶ Press releases ▶ Social media ▶ Articles ▶ Interviews ▶ Corporate profile brochures ▶ Products and Services brochures 	<ul style="list-style-type: none"> ▶ Responsible Gaming as Technology Provider ▶ Products and Services Compliance ▶ Products and Services Quality ▶ Anti-Corruption 	Responsible Gaming: 5.1-5.7 Governance and Compliance: 4.3
Retailers	<ul style="list-style-type: none"> ▶ Website ▶ Press releases ▶ Social media ▶ Articles ▶ Interviews ▶ Trainings ▶ Call center ▶ Corporate profile brochures ▶ Products and Services brochures 	<ul style="list-style-type: none"> ▶ Responsible Gaming as Gaming Operator ▶ Responsible Communication ▶ Products and Services Compliance ▶ Products and Services Quality ▶ Player Privacy 	Responsible Gaming: 5.1-5.7

Stakeholder Group	Methods of Interaction (continuous, unless otherwise stated)	Main Issues of Interest	Section in this Report
States (e.g. Regulatory Bodies, Industry Associations)	<ul style="list-style-type: none"> ▶ Formal communication ▶ Meetings with Executive Committees of Lottery Associations (annually) ▶ Dialogue with representatives of authorities ▶ Presentations ▶ Participation in congresses and events of Lottery and Gaming Associations (bi-monthly) ▶ Website 	<ul style="list-style-type: none"> ▶ Responsible Gaming as Gaming Operator ▶ Responsible Gaming as Technology Provider ▶ Risk Management ▶ Public Policy ▶ Legal Compliance ▶ Business Continuity ▶ Anti-Corruption ▶ Environmental Compliance 	<p>Responsible Gaming: 5.1-5.7</p> <p>Governance and Compliance: 4.3</p> <p>Societal Support: 8.1</p>
Employees	<ul style="list-style-type: none"> ▶ Corporate intranet portal (iSpace) ▶ Corporate events ▶ Social events ▶ Trainings ▶ Employee Opinion Survey (biannually) ▶ Social media ▶ Focus Groups 	<ul style="list-style-type: none"> ▶ Labor Practices ▶ Job Security ▶ Office Work Conditions 	<p>Employee Wellbeing: 6.1-6.6</p>
Local Communities	<ul style="list-style-type: none"> ▶ Meetings ▶ Local events ▶ Partnerships 	<ul style="list-style-type: none"> ▶ Community Impact ▶ Environmental Compliance 	<p>Societal Support: 8.1-8.3</p>
Non Governmental Organizations	<ul style="list-style-type: none"> ▶ Meetings ▶ Events ▶ Workshops (annually) ▶ Partnerships 	<ul style="list-style-type: none"> ▶ Responsible Gaming as Gaming Operator ▶ Responsible Gaming as Technology Provider ▶ Responsible Communication ▶ Information Security ▶ Community Impact ▶ Anti-Corruption 	<p>Responsible Gaming: 5.1-5.7</p> <p>Societal Support: 8.2, 8.3</p> <p>Governance and Compliance: 4.3</p>

Stakeholder Group	Methods of Interaction (continuous, unless otherwise stated)	Main Issues of Interest	Section in this Report
Media	<ul style="list-style-type: none"> ▶ Website ▶ Press releases ▶ Social media ▶ Articles ▶ Interviews ▶ Material/information upon requests 	<ul style="list-style-type: none"> ▶ All above topics 	<p>Governance and Compliance</p> <p>Responsible Gaming</p> <p>Employee Wellbeing</p> <p>Economic Sustainability</p> <p>Societal Support</p>
Shareholders	<ul style="list-style-type: none"> ▶ Annual Reports (annually) ▶ Quarter Reports (quarterly) ▶ Website ▶ Press releases ▶ Social media ▶ Articles ▶ Interviews ▶ Road shows ▶ General Meeting of Shareholders (annually) ▶ Board of Directors meetings 	<ul style="list-style-type: none"> ▶ All above topics 	<p>Governance and Compliance</p> <p>Responsible Gaming</p> <p>Employee Wellbeing</p> <p>Economic Sustainability</p> <p>Societal Support</p>



11 Stakeholder Groups are addressed

4.0 GOVERNANCE AND COMPLIANCE



4.1 Overview

Internal Regulation Charter

The Internal Regulation Charter regulates the structure of INTRALOT's Divisions, their responsibilities and the relationship with each other and with INTRALOT's management as well as defines each statutory body's responsibilities, duties, and obligations, under the provision of the Company's Articles of Association and the applicable legislation. The Internal Regulation Charter is mandatory for the entire Company (i.e. Board of Directors, all Executives, Division Directors, Department Managers and Supervisors as well as all employees with any type of employment relationship) and all partners who provide their services through an independent services contract.

Code of Corporate Governance

INTRALOT's Code of Corporate Governance documents the Company's corporate governance practices and is aligned with the Principles of OECD Corporate Governance published in 2004, the Hellenic Federation of Enterprises' (SEV) Code of Corporate Governance for Listed Companies and the generally accepted corporate governance principles applied by European Union countries. The Code is posted on the corporate website (www.intralot.com) and aims to:

- ▶ Define corporate governance practices
- ▶ Assure transparency in its operations and management procedures
- ▶ Improve information sharing with shareholders
- ▶ Ensure compliance with the relevant legislation and regulatory framework requirements

Code of Conduct

The Company's Code of Conduct defines the way its managers and employees behave and foster relationships of trust with Stakeholders, business partners, and other third parties and describes its principles on the following issues:

- | | |
|--|--|
| ▶ Purpose | ▶ Corporate Travel Policy |
| ▶ International Business Conduct | ▶ Information and Technology Resources |
| ▶ Information Security Policy | ▶ Relationships with Suppliers |
| ▶ Compliance | ▶ Relationships with Clients |
| ▶ Social Media | ▶ Relationships with Competitors |
| ▶ Confidential Information | ▶ Environment |
| ▶ Protection and Use of Company Assets and Resources | ▶ Health and Safety |
| ▶ Competition and Fair Dealing | ▶ Equal Employment Opportunity and Harassment Policies |
| ▶ Conflict of Interest | ▶ Alcohol and Drugs |
| ▶ Corporate Opportunities – Inventions | ▶ Violence Prevention |
| ▶ Giving or Accepting Business Courtesies | ▶ Reporting a Breach of the Code of Conduct |
| ▶ Integrity/Probity | |

It must be noted that the Code of Conduct:

- ▶ Is available to all employees through the Corporate intranet portal and all employees have access to a relevant training course through INTRALOT's e-learning platform, with 169 employees attended the e-learning course in 2018
- ▶ Has been communicated to all employees via email, including all new employees who are trained through the Classroom Corporate Induction Training program
- ▶ Is the subject of related briefings to employees, with 113 employees participated in classroom briefings during 2018
- ▶ Has been incorporated in all employee contracts and their signature is considered as acknowledgement and acceptance of the Code's principles and provisions
- ▶ Is mandatory for all managers and employees of INTRALOT Group, its subsidiaries, and controlled affiliates, regardless of contract type (permanent and temporary) and hierarchical level and everyone is expected to behave and conduct his/her business in line with the Code's provisions without any exception



Communicated the Code of Conduct to **100% of employees**

Furthermore:

- ▶ Employees can direct any questions related to the Code of Conduct to the Human Resources Department and all employees are obliged to report any breach of the Code of Conduct to the Human Resources Department, by name or anonymously, either by telephone or e-mail
- ▶ In case anyone suspects that there is an actual or potential conflict of interest or could be reasonably perceived by others as a conflict of interest, employees must report it to their Supervisor or their Director, who will discuss with them to determine whether he/she actually has a conflict of interest and, if so, how to best address it. No such cases have been reported within 2018



No violation cases concerning the Code of Conduct occurred



GOOD PRACTICE

Giving or Accepting Business Courtesies

The Company's Code of Conduct strictly prohibits all corporate gifts or entertainment to be used or appear as improper forms of compensation and employees are not allowed to accept or solicit any personal benefit from a supplier or potential supplier that might compromise his/her objective assessment of the supplier's products and prices as well as offer gifts or grant favors outside the ordinary course of business to any person (e.g. current or prospective customers and their employees, agents, government officials) according to the Group's Anti-Corruption Policy (see Section 4.3). Only gifts of small value with the Company's logo are allowed to government officials (e.g. promotional pens, mugs, T-shirts, calendars), as long as it is not prohibited by local law and do not induce recipient to dishonest and/or illegal action. However, the Group may pay or reimburse government officials for reasonable travel and lodging-related expenses or costs directly related to the promotion, demonstration or explanation of the Group's products or services or execution of a contract with the government which the government official represents, only in case it is permitted under local law and any other legislative provisions, with the respective reimbursements being made to the government entity itself rather than the government official directly.

Employees are allowed to give or receive gifts and entertainment (e.g. meals, beverages) to or from customers and suppliers only if the gift or entertainment cannot be viewed as an inducement to or reward for any particular business decision under local law and ethics and the Group's Code of Conduct while cash gifts are strictly prohibited. Under all circumstances, employees are obliged to properly state all gifts and entertainment expenses on the related expense reports.



No bribery incidents related to employees occurred

4.2 Board of Directors

Upholding Corporate Governance principles

The Board of Directors (BoD) is responsible to approve the overall long-term strategy and operational goals, decide on all aspects related to management, assets and business objectives and generally pursue the Company's purposes without limitations (excluding aspects decided by the General Meeting of Shareholders). The table below depicts the Company's current BoD members elected for a five-year term by the Extraordinary General Meeting of Shareholders on 10 April 2014, following the BoD's reconstruction after the resignations of Mr. Antonios I. Kerastaris (Chief Executive Officer), Mr. Nikolaos-Leon Papapolitis (member), Mr. Konstantinos S. Kokkalis (non-executive member) and Mr. Petros C. Souretis (non-executive member):

Board of Directors*

Name	Position	Executive Member	Independent Member
Sokratis P. Kokkalis	Chairman & CEO	✓	✗
Constantinos G. Antonopoulos	Vice Chairman	✗	✗
Chrysostomos D. Sfatos	Group Deputy CEO	✓	✗
Nikolaos I. Nikolakopoulos	Group Deputy CEO	✓	✗
Dimitrios Ch. Klonis	Member	✗	✗
Alexandros N. Manos	Member	✗	✗
Sotirios N. Filos	Member	✗	✓
Anastasios M. Tsoufis	Member	✗	✓
Ioannis P. Tsoukaridis	Member	✗	✓

**Data refer to 01/03/2019.*

- ▶ The Board of Directors elects the Chairman, the Vice-Chairman and one or two Chief Executive Officers among its members
- ▶ At the moment, there are no processes for consultation between Stakeholders and the BoD on economic, environmental, and social issues. However, it must be noted that there were no critical concerns communicated to the BoD within 2018
- ▶ BoD members are prohibited to hold board or executive positions in competing companies or assume any other role or activity that may lead to an actual or potential conflict of interests, without the permission of the General Meeting of Shareholders. Additionally, independent non-executive members are elected from the General Meeting of Shareholders and are prohibited to form close ties with Management, majority shareholders or the Company and are not permitted to hold over 0.5% of the Company's share capital or to maintain a dependant relationship with the Company or with persons affiliated with the Company.
- ▶ Election or re-election of BoD members requires sufficient biographical details, the Board's view on the proposed Board members' independence as well as any other relevant information to facilitate the shareholders' decision
- ▶ The Chairman of the Board leads the BoD members' and committees' performance evaluation at least every two years, through meetings with the non-executive members, without the presence of executive members, in order to discuss the performance of the latter as well as other related matters, without at the moment any sustainability-related performance and objectives taken into account
- ▶ The Compensation and Benefits Policy regulates fixed salaries levels, benefits and performance-related remuneration for executive members, based on their job description, accountability and responsibility of their position, along with their academic background, competencies, professional experience and performance evaluation. Their remuneration is associated with the corporate strategy, achievement of corporate objectives and also includes other incentives and extra benefits such as medical and life insurance and corporate car, in addition to their fixed and variable remuneration (including the corporate stock option scheme)
- ▶ Remuneration for non-executive members depends on the time allocated and their responsibilities, without being directly related to corporate performance, in order to encourage Top Management to take business risks
- ▶ Remuneration for non-executive members and executive members is pre-approved by the General Meeting of Shareholders

and the BoD respectively, following the Remuneration Committee's recommendations, and the General Meeting of Shareholders grants the final approval

- ▶ INTRALOT cooperates with international consultancy agencies in the field of Compensation and Benefits research and monitors relevant reward trends



POLICY

Relation of Dependence

In order to determine the independence of both candidates and current members, the Board of Directors should consider that a relation of dependence exists when the member:

- ▶ Is or has been an employee, senior executive or Chairman of the Company's BoD or its subsidiaries within the last three years
- ▶ Receives or has received any compensation from the Company other than board membership fees approved by the General Meeting of Shareholders within the last 12 months prior to his/her appointment
- ▶ Has or had a material business relationship with the Company or its subsidiaries within the past year, particularly as a significant client, supplier or consultant of the Company or as a partner, shareholder or Board member or senior executive of an entity that has such a relationship with the Company or its subsidiaries
- ▶ Has been the Company's or its subsidiaries' external auditor or has been a partner or employee of a firm that provides external auditing services to the Company or its subsidiaries within the last three years
- ▶ Has a second-degree kinship with or is the spouse of a non-independent Board member, senior executive, adviser or significant shareholder of the Company or its subsidiaries
- ▶ Controls directly or indirectly through related parties over 10% of the Company's voting rights or is a significant shareholder of the Company or its subsidiaries



GOOD PRACTICE

Disclosure of Economic Activities

All BoD members and executives are required to address a statement to the Board of Directors and notify them about:

- ▶ Their holdings over 10% in other companies (semi-annually)
- ▶ Their other professional and business activities at the time and manner decided by the Board of Directors (annually)
- ▶ Their intention to conclude contracts with Company's customers or suppliers of over €3,000 lump sum or annual amount (at any time but at least 20 days prior to the contract's conclusion)

Operating Board Committees

The Board of Directors is supported by a number of committees, in order to ensure that specific issues are managed in a responsible and systematic way:

Board Committees



Audit and Compliance Committee

Consists of three independent non-executive members and supervises financial reporting and information, compliance with the legislative and regulatory operational framework and internal control processes and systems as well as the Internal Audit Unit. The Committee meets at least four times a year and also meets with the Company's auditor at least twice a year, without the presence of Company's Management.

The Audit and Compliance Committee also includes the Financial Committee as a sub-committee, which consists of the Chief Financial Officer, the Director of Finance, the Accounting Director, the Subsidiaries and Business Development Director and other executives within the Finance Department, as deemed necessary. The Committee provides recommendations to the Audit and Compliance Committee and/or directly to the Board of Directors concerning:

- ▶ The management of the Group's exposure to risk associated with interest rate and currency exchange rate fluctuations
- ▶ The management of risks that may arise from socio-political changes

Remuneration and Nomination Committee

Consists of one non-executive member as Chairman and two independent non-executive members and is responsible to:

- ▶ Determine the employee remuneration policy
- ▶ Recommend remuneration levels for executives, managers and senior executives to the Board of Directors
- ▶ Regulate matters associated with the overall remuneration policy
- ▶ Propose the criteria and the general frame to select BoD members
- ▶ Suggest the procedures to determine internal relations of BoD members
- ▶ Determine the criteria to select new directors as well as for removals

Management Committee

Consists of the Group Chief Executive Officer and the Company's General Directors and examines all significant corporate matters (e.g. corporate strategy, critical operational issues, major projects and objectives), formulates proposals and decides how to address them

Responsible Gaming Committee

Consists of INTRALOT's executives and is mainly responsible to design, plan, implement and review the Group's Responsible Gaming strategy as well as submit proposals to the Board of Directors regarding the Responsible Gaming program's long-term strategy and objectives

Strategy Committee

Consists of five BoD members and monitors the Company's performance as well as decides, reviews, revises and proposes the long-term strategy and goals to the BoD

Bid Committee

Consists of four BoD members and specifies the numerical thresholds for the Company's participation in Requests for Proposals (RFPs) as well as evaluates and decides which RFPs above a specific value/risk are consistent with the Company's purpose and activities

Strategy and Risk Management Committee

Consists of INTRALOT's executives and is responsible to ensure that information security, information compliance and risk management activities are properly prioritized, funded, and supported by the involved organizational units as well as correspond to realistic business needs

4.3 Risk Management

Conducting Internal Audits

INTRALOT has established a systematic approach to evaluate and improve the effectiveness of risk management, internal control, and corporate governance processes through the Internal Audit Unit, which is not connected to other organizational unit and functionally reports to the Audit Committee of the Board of Directors and administratively (e.g. day-to-day operations) to the Group CEO. The Board of Directors quarterly reviews the Company's main risks and the effectiveness of the internal audit system regarding risk management, including financial and operational audits, compliance testing and risk management systems' monitoring.

The Internal Audit Unit examines and evaluates the adequacy and effectiveness of the Group's internal control, enterprise risk management, and corporate governance processes, in accordance with its policies and procedures as well as the applicable legislation, operating standards and corporate governance principles. The Audit and Compliance Committee:

- ▶ Quarterly monitors and reviews the Internal Audit Unit's effectiveness regarding management of main risks
- ▶ Ensures the integrity of corporate accounts, financial reporting systems and public disclosures as well as the internal controls' and risk management systems' effectiveness
- ▶ Establishes direct and regular contact with external and internal auditors, in order to remain updated on the control system's proper operation



GOOD PRACTICE Disclosure of Transactions

INTRALOT requires from BoD members, Executive Managers, the Director of Group Internal Audit, the General Counsel, certified auditors and all employees with access to confidential information (as defined by Law. 4443/2016 and EU 596/2014) as from any other person closely related to them, to notify directly the Hellenic Capital Market Commission and the Company in writing for every transaction of its stocks, securities or derivatives associated with them within three days after the transaction's completion, unless the cumulative value of transactions within one calendar year is below €5,000.

Identifying and managing risks

INTRALOT follows a holistic approach to identify, assess, and manage risks related to achieve its business objectives and its Enterprise Risk Management (ERM) Framework considers parameters related to the Group's strategy, including INTRALOT's financial status, operations, people, technology, compliance, products and reputation. The ERM Framework has been designed according to the specifications of COSO (Committee of Sponsorship Organizations of the Treadway Commission) and ISACA (COBIT for RISK) and incorporates the following components:

1. **Objective setting:** Define clear objectives to use as a reference point for the identification of risks
2. **Risk assessment:** Analyze risks in relation to the objectives and the likelihood of an impact from an adverse event actually happening
3. **Risk response:** Management selects risk responses (avoid, accept, reduce or share risk) and develops a set of actions to align risks with the entity's risk tolerances
4. **Event identification:** Identify internal and external events which can potentially affect the achievement of objectives.
5. **Internal environment:** Consider the internal environment to view and address each risk, including risk management philosophy, integrity, and ethical values as well as the environment of operations
6. **Control activities:** Establish and implement policies, procedures, strategies and action plans to ensure that risk responses are effectively carried out
7. **Information and communication:** Identify, capture and communicate properly relevant information within a specific time frame
8. **Monitoring:** Monitor risk either through ongoing management activities or separate evaluations or both and make necessary modifications

Significant Risks and Uncertainties

Source	Impact	Policies and Practices
Financial Risks		
Credit risk	Not significant	<ul style="list-style-type: none"> ▶ Pursue wide dispersion of customers ▶ Set credit limits through signed contracts ▶ Set limits on credit exposure to any financial institution. ▶ Adopt an internal rating system on credit rating evaluation
Liquidity risk	Moderate	<ul style="list-style-type: none"> ▶ Develop certain policies to monitor liquidity and cover Group's liabilities ▶ Set a system to monitor and constantly optimize operating and investing costs
Foreign Exchange risk	Significant	<ul style="list-style-type: none"> ▶ Achieve diversification in the currency portfolio ▶ Enter into derivative financial instruments with various financial institutions

Source	Impact	Policies and Practices
Financial Risks		
Interest rate risk	Not significant	<ul style="list-style-type: none"> ▶ Use financial hedging instruments ▶ Have a balanced portfolio of loans with fixed borrowings rates
High leverage risk	Moderate/ Significant	<ul style="list-style-type: none"> ▶ Set specific consolidated fixed charge coverage and senior leverage ratio
Operating Risks		
Winners' payouts in sports betting (Depends on the outcome of the events)	Moderate	<ul style="list-style-type: none"> ▶ Establish a betting center in Greece to control global fixed odds betting activity and payout policy in real-time
Gaming sector and economic activity	Moderate	<ul style="list-style-type: none"> ▶ Aim at international expansion ▶ Diversify portfolio ▶ Reduce dependency on the performance of individual markets and economies
Gaming Taxation	Significant	<ul style="list-style-type: none"> ▶ Monitor and evaluate changes in taxation
Regulatory risk	Significant	<ul style="list-style-type: none"> ▶ Assess local environments before entering new markets. ▶ Rely on government licenses ▶ Monitor changes in the regulatory environment
Technological changes	Significant	<ul style="list-style-type: none"> ▶ Properly respond to technological changes ▶ Timely develop or license innovative and appealing cost-effective products ▶ Invest in R&D efforts and projects
Emerging markets	Significant	<ul style="list-style-type: none"> ▶ Monitor social, political, legal and economic conditions in countries of operations
Competition and margin squeeze	Significant	<ul style="list-style-type: none"> ▶ Aim to renew long-term contracts



GOOD PRACTICE

Business Continuity and Crisis Situation

INTRALOT has developed the Business Continuity Planning and Testing Guide and implements a business continuity plan to address potential interruptions to business processes, minimize the impact caused by disasters and recover from loss of information assets to an acceptable level for natural (e.g. earthquake), human (e.g. network attack) and environmental (e.g. electric power failure) disasters. The Company follows the principles of the following recognized international security standards:

- ▶ The 'Code of practice for information security management' of ISO/IEC 27002 regarding business continuity management
- ▶ The World Lottery Association Security Control Standard
- ▶ The principles of BS 25999-1 'Business continuity management – code of practice'
- ▶ The guidelines of NIST Special Publication 800-34 'Contingency Planning Guide for Information Technology Systems'

It must be noted that 50% of INTRALOT's operations were analyzed for risks which could result to a cease of operations by the Internal Audit Unit in 2018, as in 2017.

Furthermore, according to a formal corporate procedure, INTRALOT has established the RED Team (Chief Level Emergency Response Team) and the ORANGE Team (Group Director Level Emergency Response Team) to respond in a crisis situation or any event that could be harmful to INTRALOT's reputation and operations, such as legal disputes, accidents, fires or disasters that could be attributed to the Company, according to a 5-scale impact classification (i.e. critical, major, moderate, minor, low).

Upholding information security

INTRALOT has established clear processes, tools and activities to prevent, detect, and react to information security incidents, in order to protect its information assets. All information and corporate documents (either printed or in electronic form) are required to display their classification level (i.e. confidential, restricted, public). At the same time, INTRALOT conducts periodic vulnerability assessments at least once per year for live websites and prior to any new go-live and continuously monitors potential new vulnerabilities to any system component.

Furthermore, the Company provides specific guidelines and instructions to all employees related to information security (e.g. protection against malicious code and illegal software, email and internet security) and has developed detailed rules and requirements for specific departments or user groups (such as the Human Resources Department and the Corporate Affairs Department, Project and Technical Managers, Code Designers and Developers, ICT Department and Service Desk), which respective employees must read and comply with their provisions.



GOOD PRACTICE Report a Security Incident or Event

All employees are obliged to report any security incident (defined as any violation of the Information Security Policy with impact on the business) and security event (defined as any violation of the Information Security Policy with no impact on the business) through a digitally signed e-mail to the local security function members and security@intralot.com for INTRALOT and describe the incident or event in detail. In case employees do not have access to corporate email at that time, they can file their report through telephone and send an email as soon as possible. At all times, they are obliged to follow the appropriate security guidelines and do not disclose security information incidents to unauthorized persons at any circumstances.

Within 2018, there were no security events reported by employees, either by email or by telephone according to the respective procedure.



No security events reported by employees

Combating corruption

Within the context of the Company's efforts to combat and eradicate corruption, INTRALOT:

- ▶ Has developed an Anti-Corruption Policy to strengthen its commitment to detect and prevent corruption within the worldwide gaming industry
- ▶ Has been certified according to the ISO 37001 Anti-Bribery Management System for its measures to prevent, detect and address bribery, being one of few companies in the gaming industry worldwide to hold such certification
- ▶ Has signed a Memorandum of Understanding (MOU) and became a member of Transparency International Greece's Business Integrity Forum, which focuses on diffusing key principles, policies, practices and measures in the area of anti-corruption
- ▶ Participates in joint partnerships which adopt and enforce Anti-Bribery policies, most notably with Tecno Acción Salta in Argentina and Maltco Lotteries in Malta
- ▶ Undertakes due diligence on its business partners (e.g. agents, consultants, suppliers, other intermediaries, consortium or joint venture partners, contractors or major sub-contractors, distributors) to assess corruption risk prior engaging in any business relationship with them and refrains from any business activity in case due diligence findings are not satisfactory, with 107 out of 146 major suppliers already responding with the necessary documents in 2018, without any discontinued supplier collaboration as a result of the due diligence process
- ▶ Includes Anti-Corruption contractual clauses in all agreements to ensure compliance with relevant Anti-Corruption laws.
- ▶ Strictly prohibits employees to influence or become influenced by government officials
- ▶ Does not allow employees to engage in any form of entertainment, granting gifts or similar activity with any official or other person involved in tender processes
- ▶ Permits contributions to political parties, members of political parties and candidates for a public office only in accordance with applicable local laws, Group's Code of Conduct rules regarding conflicts of interest and public disclosure requirements and prior written approval of the local Legal Department, the Group Chief Legal and Compliance Officer and the head of the local business unit
- ▶ Prohibits making payments through intermediaries or to third parties, which may go directly or indirectly to government officials

- ▶ Performs detailed Anti-Corruption due diligence throughout mergers and acquisitions and includes appropriate Anti-Corruption provisions prior to closing the respective transactions
- ▶ Follows a standard internal auditing procedure and plans audits at least annually to analyze business units for risks associated with corruption
- ▶ Monitors certain areas with high risk for financial fraud
- ▶ Reserves the right to proceed to relevant administrative and legal measures in case of confirmed incidents of corruption, which include dismissal or legal prosecution, depending on the incident's scale and severity
- ▶ Has developed an Anti-Bribery and Anti-Corruption e-learning course, which aims to familiarize employees with various aspects of INTRALOT's Anti-Corruption Policy (e.g. definition of bribe and corruption, consequences of being involved in a corruption incident), with 84 INTRALOT S.A. employees and 145 employees from various subsidiaries trained in 2018



POLICY Anti-Corruption

INTRALOT Group Anti-Corruption Policy is mandatory for all employees and highlights the Group's principles on the following issues:

- | | |
|---------------------------------------|--|
| ▶ Legal Environment | ▶ Contributions to Trade Unions |
| ▶ Defining 'Corruption' | ▶ Corporate Responsibility Contributions & Charity |
| ▶ Defining 'government officials' | ▶ Accounting Requirements |
| ▶ Corruption in the Private Realm | ▶ Internal Controls |
| ▶ Procurement and Bidding | ▶ Audits |
| ▶ Anti-Corruption Contractual Clauses | ▶ Reporting a Breach |
| ▶ Merger and Acquisition Transactions | ▶ Anti-Corruption Sanctions |
| ▶ Intralot Group Employees | ▶ Compliance with Competition Laws |
| ▶ Gifts, Entertainment, Travel | ▶ General Guidance and Contacts |
| ▶ Political Contributions | |

In addition, employees can contact the Legal Department or the Head of the Business Unit and they can anonymously report any concern about a potential bribery or corruption case to the Human Resources Department and the Internal Audit Unit.

INTRALOT:

- ▶ Protects the confidentiality of anyone who reports any concerns
- ▶ Examines all cases of potential Anti-Corruption Policy's breaches

It must be noted that within 2018, there were:

- ▶ No public policy positions and participation in public policy development and lobbying
- ▶ 17 operations analyzed for risks related to corruption by the Internal Audit Unit (approximately 50% of total operations), compared to 12 operations in 2017
- ▶ No contributions made to politicians and political parties
- ▶ No confirmed incidents of corruption
- ▶ No legal actions related or pending legal actions related to corruption or legal fines or other non-monetary sanctions imposed by the respective authorities



No incidents of corruption occurred

Following fair competition principles

Indicative of the INTRALOT's commitment to fair competition and its importance to efficient use of resources, innovation, and higher quality of products and services, the Company:

- ▶ Conforms to fair competition principles for its operations and complies with competition laws and regulations to prevent anti-competitive or market distorting practices
- ▶ Respects the regulatory framework in each jurisdiction and cooperates with governments and regulatory bodies
- ▶ Requires that all employees deal fairly with customers and competitors and do not manipulate, abuse privileged information, misrepresent or utilize any other unfair practice to take unfair advantage of anyone
- ▶ Prohibits disclosure of confidential information to any person who is not an employee of INTRALOT unless employees are authorized to do so
- ▶ Has included trainings related to fair competition in its Code of Conduct training, without however conducting any relevant trainings in 2018



POLICY

Free and Fair Competition

According to the Code of Conduct, INTRALOT does not undertake activities which could reasonably be considered as being anti-competitive, monopolistic or otherwise contrary to laws governing competitive practices in the marketplace, including anti-trust laws. Therefore, employees are refrained from:

- ▶ Obtaining or giving competitive information by unethical, unlawful or illegal means
- ▶ Using any confidential information that belongs to former employers
- ▶ Making false or deceptive statements about a competitor
- ▶ Commenting on another company's business reputation or financial or legal situation

As a result, within 2018:

- ▶ There were no complaints or legal actions for anti-competitive behavior, anti-trust, and monopoly practices
- ▶ No relative fines or non-monetary sanctions were imposed by the respective authorities
- ▶ Regarding previous legal cases and a fine of €1,188,351 imposed by the Competition Board of Romania in relation to the contract signed in 2003 with Compania Nationala Loteria Romana regarding the Videolotto program, the competent court accepted the application for the annulment of the Competition Board's decision filed by INTRALOT and cancelled the respective fine. The Competition Board of Romania has filed an appeal against the court's decision, which has been scheduled for hearing in April 2020

Complying with legislation

INTRALOT is committed to respect the legislation and regulatory framework in each jurisdiction of operations. Within 2018:

- ▶ INTRALOT was not accused of violating legislation and regulations in any of the countries where it operates and was not involved in any prosecutions for non-compliance with laws and regulations, with the exception of Royal Highgate Pcl Ltd.'s Class A license suspension (in which INTRALOT has an indirect participation of approximately 35.08%) by the National Betting Authority of Cyprus initially for a two-month period due to alleged non-compliance with specific license terms. The company's recourse filed before the competent administrative court of Nicosia was heard and rejected and the company's appeal against the court's decision is currently at the hearing process. At the same time, the company has filed three additional recourses against the National Betting Authority's decisions related to its license suspension, which are expected to be discussed with 2019, and submitted its arguments related to National Betting Authority's license revocation process. At the end of 2018, the contractual term of the company's license expired
- ▶ There were no lawsuits regarding quality of products or services
- ▶ There were no relevant fines or other non-monetary sanctions imposed by the respective authorities



GOOD PRACTICE

Legal Compliance

The Group follows a decentralized approach to legal compliance due to diversity of legal frameworks around the world. At Group level, each INTRALOT subsidiary is responsible to develop a customized legal compliance registry according to the local/regional legal requirements and handles legal compliance locally either through dedicated legal office or through outsourcing of legal services to third parties. At Company level, the Legal Office manages legal compliance under the supervision of the Group Chief Legal & Compliance Counsel, who is responsible to:

- ▶ Communicate legal requirements to each subsidiary's CEO
- ▶ Monitor local organizational legal schemes (either in-house or outsourced)
- ▶ Maintain a legal office registry per subsidiary
- ▶ Communicate with subsidiaries' legal offices to ensure that they address the necessary legal requirements
- ▶ Communicate ad hoc in case of incidents that involve legal issues

4.4 Management Systems Standards and Certifications

Operating based on Management Systems

The Company has recognized the need to use multiple Management Systems in a simpler and more effective manner and has introduced the COBIT 5 Governance Framework, which governs all INTRALOT systems.

Quality Management System

INTRALOT holds an ISO 9001:2015 certification for its Technology Division and Products & Services Division and conducts its business in line with its ISO 9001 Quality Manual, which sets the framework for the Company's Quality Management System, presents the corporate philosophy and fundamental principles and makes reference to documented procedures, which describe corporate processes and functions in detail. It must be noted that so far, approximately 37.2% of INTRALOT's Quality Assurance Department employees have been certified for software testing by the International Software Testing Qualifications Board (ISTQB).

Information Security Management System

INTRALOT is the first international vendor in the gaming industry to have been certified according to the World Lottery Association (WLA) Security Control Standard in 2008 and has been additionally certified its Information Security Management System (ISMS) according to ISO 27001. Both certifications ensure that INTRALOT is able to promptly identify emerging threats, assess their risk and apply appropriate security controls.




Information Technology Service Management

INTRALOT was also the first international vendor in the gaming industry to achieve ISO 20000 certification on Information Technology Service Management in 2013 for provision of Infrastructure Support Services and Managed IT Services, Integrated Gaming and Transaction Processing Systems and Services and Interactive Gaming Services provided to Licensed Lotteries, Gaming and Casino Organizations and Entities worldwide. Based on the ISO 20000 certified Service Management System, INTRALOT has established a Global Service Desk to collect, analyze, and respond to all types of customer requests.

Training Services

INTRALOT became the first vendor in the gaming industry to certify the training services provided by its Learning Center with the ISO 29990:2010 standard in 2015, which covers the entire training process, including analysis, design, delivery, monitoring and evaluation of project-based training.



Management Systems Standards	Country
<p>Quality Management System (ISO 9001:2015)</p> 	<ul style="list-style-type: none"> ▶ INTRALOT S.A. (Greece - Technology Division and Products and Services Division) ▶ INTRALOT Services S.A. (Greece) ▶ INTRALOT Gaming Services (Australia)

Management Systems Standards	Country
<p>Information Security Management System (WLA SCS:2016 and ISO 27001:2013)</p>  	<ul style="list-style-type: none"> ▶ INTRALOT S.A. (Greece) ▶ INTRALOT Nederland BV (Netherlands) ▶ INTRALOT GERMANY GmbH (Germany) ▶ MALTICO Lotteries Ltd. (Malta) ▶ Bit8 (Malta) ▶ INTRALOT Inc. (USA – Georgia) ▶ INTRALOT Ohio (USA) ▶ INTRALOT South Carolina (USA) ▶ INTRALOT Arkansas (USA) ▶ INTRALOT Montana (USA) ▶ INTRALOT Louisiana (USA) ▶ INTRALOT Idaho (USA) ▶ INTRALOT New Mexico (USA) ▶ INTRALOT Gaming Services (Australia) ▶ INTRALOT Maroc (Morocco) ▶ INTRALOT de Peru (Peru) ▶ INTRALOT Italia S.p.A. (Italy) ▶ INTRALOT Chile S.p.A. (Chile) ▶ Tecno Acción S.A. (Argentina) ▶ Tecno Acción Salta S.A. (Argentina) ▶ INTELTEK (Turkey) ▶ INTRALOT S.A.'s operations at the OPAP's National Lottery (Greece) ▶ INTRALOT S.A.'s scratch tickets operations of Hellenic Lotteries (Greece)
<p>Information Technology Service Management (ISO 20000)</p>	<ul style="list-style-type: none"> ▶ INTRALOT S.A. (Greece)
<p>Anti-Bribery Management System (ISO 37001:2016)</p> 	<ul style="list-style-type: none"> ▶ INTRALOT S.A. (Greece)

Management Systems Standards	Country
<p>Environmental Management System (ISO 14001)</p> 	<ul style="list-style-type: none"> ▶ INTRALOT S.A. (Greece)
<p>Occupational Health & Safety Management Systems (ELOT 1801:2008 / BS OHSAS 18001:2007)</p> 	<ul style="list-style-type: none"> ▶ INTRALOT Services S.A. (Greece)
<p>Responsible Gaming</p> 	<ul style="list-style-type: none"> ▶ INTRALOT S.A. (Greece) ▶ Totolotek S.A. (Poland) ▶ MALTCO Lotteries Ltd. (Malta) ▶ INTRALOT S.A.'s operations at Hellenic Lotteries (Greece)

Management Systems Standards	Country
Code of Practice for Information Security Management (ISO 27002)	<ul style="list-style-type: none"> ▶ INTRALOT S.A. (Greece)
Controls over Financial Integrity (ISAE 3402)	<ul style="list-style-type: none"> ▶ INTRALOT S.A. (Greece) ▶ INTRALOT S.A.'s operations at Hellenic Lotteries (Greece) ▶ INTRALOT S.A.'s operations at OPAP (Greece) ▶ INTRALOT Nederland BV (Netherlands)
Gaming Standards Association (GSA) Point to Point SOAP/HTTPS Transport and Security Specification	<ul style="list-style-type: none"> ▶ INTRALOT's iGEM VLT Monitoring system
GSA Game to System (G2S) Message Protocol	<ul style="list-style-type: none"> ▶ INTRALOT's iGEM VLT Monitoring system
Training Services (ISO 29990:2010) 	<ul style="list-style-type: none"> ▶ INTRALOT S.A.'s Learning Center (Greece)

2018 Objectives

		% of completion	
		Certify INTRALOT Idaho and INTRALOT New Mexico according to WLA SCS:2016 and ISO 27001:2013	100%
		Support events and initiatives related to Anti-Corruption and ethical business conduct	100%

Future Objectives

		Certify INTRALOT Illinois, INTRALOT Wyoming, INTRALOT New Hampshire and INTRALOT Benelux according to WLA SCS:2016 and ISO 27001:2013	by 2019
		Conduct internal compliance audit of INTRALOT's Anti-Corruption Management Program	by 2019
		Conduct external audit for the ISO 37001:2016 certified Anti-bribery Management System	by 2019

5.0 RESPONSIBLE GAMING



5.1 Overview

Responsible Gaming is a concept according to which gaming operators, technology and software suppliers and associated service providers need to ensure that their products and services provide a fair and safe gaming experience that enables players to be protected from the adverse consequences of gaming as well as apply practices to eliminate excessive behavior and protect vulnerable groups, such as individuals under legal age of play, persons with a gaming addiction and individuals not aware of risks of problem gaming.

It is important that anyone who participates in games of chance understands the possible risks of the entertainment that they are buying and how they vary from one type of games to another. Players must make their choices based on aspects of the game or the gaming service, know and accept the odds and never overestimate the chances of winning or try to recover losses by persisting to game beyond their means.

Responsible Gaming Approach



Preventing underage
illegal & problem gaming



Empowering players with
the choice of well-designed
games in a secure, trustful
environment



An ethical regulatory
environment expected
by society

Besides being an ethical and a regulatory requirement, Responsible Gaming is a business imperative for gaming companies, who are required to comply with applicable Responsible Gaming frameworks and implement specific measures and procedures to protect society and Stakeholders.

Global Responsible Gaming Criteria for Lotteries



DID YOU KNOW? The Rising Need for Responsible Gaming

The rising need for Responsible Gaming has emerged due to a changing gaming environment, especially within the last few years, since:

- ▶ Online gaming has changed the traditional Points of Sale
- ▶ Gaming is more accessible with the proliferation of new media, such as internet, smartphones, tablets and mobile applications
- ▶ There is increased availability of different games and gaming services as well as increased sports betting advertising from various channels

As an Associate member of WLA, INTRALOT abides by the WLA Responsible Gaming Framework, whose purpose is to integrate the Responsible Gaming Principles into the day-to-day operations of member lotteries. The Framework consists of:

- ▶ The 7 Responsible Gaming Principles, to which WLA members commit themselves to:
 - Meet their objectives while, at the same time, protect their customers' and vulnerable groups' interests and uphold their respective commitments within their own jurisdiction
 - Ensure their practices and procedures reflect a combination of government regulations, operator self-regulation and individual responsibility
 - Develop their practices concerning Responsible Gaming on the best possible understanding of relevant information and analysis of documented research
 - Work with Stakeholders to share information, develop research, and promote Responsible Gaming and encourage a better understanding of the gaming's social impact
 - Promote Responsible Gaming in all activities, including development, sale and marketing of their products and other activities and ensure the same on behalf of their agents
 - Provide information to public in an accurate and balanced manner, in order to enable informed choices about gaming activities within their jurisdiction
 - Monitor, test, and revise as appropriate the activities and practices related to Responsible Gaming and publicly report their findings
- ▶ The 10 Responsible Gaming Framework program elements, which are described below:

Responsible Gaming Framework Program Elements

Element	Description
Stakeholder Engagement	Identify, understand and integrate interests of decision-makers, decision influencers and other society members into key Responsible Gaming related business decisions and Responsible Gaming program development.
Reporting and Measurement	Measure and report on lottery's commitments, actions and progress on Responsible Gaming to relevant internal and external Stakeholders.

Element	Description
Research	Support and/or conduct, integrate and disseminate Responsible Gaming related research.
Employee Program	Ensure and support efficient and effective application of Responsible Gaming principles by all relevant employees.
Retailer Program	Ensure and support efficient and effective application of Responsible Gaming principles by retailers and their front-line employees.
Game Design	Apply evidence-based Responsible Gaming considerations to design, selection and introduction of new lottery and gaming products.
Remote Gaming Channels	Ensure that interactive remote gaming platforms have safeguards in place that protect players.
Advertising and Marketing Communications	Ensure continuous improvement of responsible marketing and communications practices and application of regulatory codes.
Player Education	Support, integrate and disseminate information related to good practices in responsible play ('informed player choice') and treatment referral.
Treatment Referral	Offer support, guidance and referral to specialized services to customers with potential or actual gaming addiction problems, if needed.



Within 2018, INTRALOT S.A. renewed its Certificate of Alignment with WLA Responsible Gaming Framework for Associate members until 2021, following an in-depth independent assessment performed on its products and services as well as its Responsible Gaming practices by TÜV NORD, one of the world's largest certification bodies and WLA approved assessor.

The certification covers all corporate functions related to the integrity of games and corporate conduct, including the complete life cycle of system and service design, development, implementation, support and operations, and recognizes INTRALOT's commitment and efforts to create a secure and supportive gaming environment as well as implement programs to prevent underage, illegal and problem gambling or any other potential harm to society.

Recognizing the need to apply a Responsible Gaming approach for all business activities and operations, the Group implements a series of activities and initiatives to guarantee the application of Responsible Gaming standards, both as a licensed gaming operator and a technology provider, as presented below:

WLA Responsible Gaming Standards for WLA Associate Members



As a licensed Lottery operator in its own right, the Group develops its Responsible Gaming Program on the basis of all 10 elements of the WLA Responsible Gaming Framework.

Responsible Gaming Framework for Lotteries



The Group has the required technological skills and the operational know-how to develop and implement a Responsible Gaming program in any jurisdiction globally. Within the context of its Responsible Gaming framework, INTRALOT Group aims to:

- ▶ Comply with the relevant laws and regulations worldwide
- ▶ Ensure that the interests of players and vulnerable groups are protected
- ▶ Develop or improve appropriate practices and technologies
- ▶ Promote internal and external implementation of Responsible Gaming practices
- ▶ Create public awareness to enable informed gaming choices from players
- ▶ Improve and report on Responsible Gaming activities



INTERNATIONAL GOOD PRACTICE Maltco Lotteries Responsible Gaming Activities

Within 2018, Maltco Lotteries maintained its international Responsible Gaming certificates for the fifth consecutive year, as evident from its certification by both European Lotteries and World Lotteries Association, following the independent audits and intensive assessment from TÜV NORD to Maltco Lotteries' operations and agents. Furthermore, the company has received the WLA security certification for its Security Audit, which verifies that Maltco Lotteries has established levels of control in accordance with generally accepted information security and quality practices as well as specific industry requirements. Indicating Maltco Lotteries' commitment to operate within the Responsible Gaming framework, the company:

- ▶ Publishes articles and other printed material on Responsible Gaming
- ▶ Includes the '18+ play responsibly' logo in all advertisements
- ▶ Displays a sign to inform players that gaming is only allowed to individuals above 18 years old in all Points of Sale
- ▶ Has developed a Responsible Gaming section on the company's corporate website
- ▶ Has established various control mechanisms and measures to tackle money laundering and irresponsible gaming
- ▶ Regularly informs and trains employees and agents on Responsible Gaming. Within 2018, the company informed all employees and agents on its Responsible Gaming principles through dedicated training sessions and various means of communication
- ▶ Performs and records the results of the unscheduled spots-checks by its Company Inspectors to monitor and ensure that all Points of Sale adhere to the company's Responsible Gaming principles
- ▶ Extended its cooperation agreement with Malta's leading telecommunications services company to meet customer demand for digital gaming platforms as well as improve services offered to its agents, which focus on security, high availability and support for future business initiatives and growth



INTERNATIONAL GOOD PRACTICE INTRALOT do Brasil Responsible Gaming Objectives

Within the context of its Responsible Gaming activities, INTRALOT do Brasil has designed its practices in order to fulfill the following objectives:

- ▶ Prevent children under 18 years old to place any bets, since all lottery products are offered exclusively to adults
- ▶ Provide information to protect consumers, such as information about winning odds for its games
- ▶ Provide players with safe and reliable games
- ▶ Raise funds to contribute to social well-being

Stakeholder Engagement: The Group aims to develop working relationships and collaborate with key Stakeholders, in order to:

- ▶ Exchange information on Responsible Gaming issues
- ▶ Promote Responsible Gaming as broadly as possible
- ▶ Develop a better understanding of gaming's social impact
- ▶ Improve all elements of its Responsible Gaming program

Therefore, apart from research organizations and independent institutions, the Group cooperates with Governments and Regulation Authorities and forms strategic partnerships with treatment providers and public health professionals and NGOs, through one-to-one meetings and on-going collaborations.

Being committed to promote the Responsible Gaming principles and standards to its Stakeholders, the Group organizes various activities throughout the year and participates in conferences and related events, which feature Responsible Gaming in presentations and panel discussions.

Stakeholder engagement events in 2018

Events	Description
ICE 2018 - Totally Gaming Exhibition (UK)	Distribution of a branded Responsible Gaming wristband bracelet to visitors at the Company's booth during the exhibition.
NASPL 2018 Annual Conference (USA)	Participation in the Associate Members' Panel Discussion 'Celebrating Ohio: A leading example of modernizing lotteries in a digital world'.
World Lottery Summit 2018 (Argentina)	Participation in the Platinum Contributors' Session, featuring a discussion among world leading gaming suppliers on the future outlook of the lottery industry and the importance of the Responsible Gaming.
EL/WLA Security & Integrity Seminar 2018 (Hungary)	Delivery of the speech 'Cybersecurity challenges in online gaming'.
APLA CONFERENCE 2018 (Malaysia)	Delivery of the presentation 'Gambling Industry Evolution & Customer Behavior Trends'.
APLA/WLA SEMINAR 2018 (India)	Delivery of the presentation 'Player experience dominates lottery business now', based on INTRALOT's contribution to WLA's Responsible Gaming initiatives.
ISACA's Cybersecurity Conference 2018 (Malta)	Participation in the conference 'Cybersecurity: Securing our Future'.
8th Annual Capital Link (Greece)	Participation in the Forum 'Opening up Greece to Global Opportunities - A new aspect of CSR' to share success stories and highlight the key business factors, resources and support mechanisms that can lead companies to open up to global competitiveness and success.
83rd Thessaloniki International Fair (Greece)	Delivery of the presentation 'The Leading Player in a changing world of gaming' on INTRALOT's responsible growth based on its commitment on WLA Responsible Gaming Framework.
INTRALOT Business Day (Greece)	Delivery of a presentation on INTRALOT's responsible growth based on its commitment on WLA Responsible Gaming Framework, on the occasion of the 'Panorama of Entrepreneurship and Career Development', organized by the Athens University of Business and Economics (see Section 8.2).
INTRALOT Hackathon 2018 (Greece)	Delivery of a speech regarding technological developments and customer/user experience needs in an evolving regulatory environment and the business opportunities for building responsible gaming products with the future customer.



WLA & EL representatives showing their Responsible Gaming wristband at INTRALOT's booth, ICE 2018



INTERNATIONAL GOOD PRACTICE

Preserve and Protect the Integrity of Sports

INTRALOT Group is committed to preserve and protect the integrity of sports, through the following initiatives:

- ▶ Since 2018, INTRALOT and Maltco Lotteries are Associate Member and Member respectively of the Global Lottery Monitoring System (GLMS), an association created jointly by WLA and EL as the state lotteries' mutualized monitoring system on sports betting, which aims to detect and analyze suspicious betting activities which could question sports integrity
- ▶ Betting Company S.A., an INTRALOT Group's subsidiary, has signed a cooperation agreement with the International Olympic Committee (IOC) and the International Sports Monitoring (ISM) to provide betting-related information to assist ISM to monitor betting activities related to the Olympic Games and IOC to act in case of suspicious betting activities on the Olympic Games
- ▶ INTRALOT Group has signed a cooperation agreement with Early Warning System GmbH (EWS), a FIFA's subsidiary, to promote and protect the integrity of football and promptly informs EWS on irregular and suspicious betting activities, in order to detect and prevent attempted manipulation and match-fixing



Reporting, Measurement and Certification: Within the context of its specific procedures and mechanisms to support the implementation of its Responsible Gaming strategy and programs as well as report on Responsible Gaming activities. INTRALOT Group:

- ▶ Has developed an integrated Responsible Gaming Program for all elements of its Responsible Gaming Framework, which is annually reviewed and revised (if necessary) by the Responsible Gaming Committee. The Corporate Affairs Division is responsible for the Responsible Gaming Program, which is jointly implemented with the Quality Assurance Department and the Sales and Operations Marketing, in connection with Licensed Operations abroad
- ▶ Utilizes a software tool to determine compliance of new games with WLA's Responsible Gaming criteria during their design phase
- ▶ Consistently reviews Responsible Gaming researches and related documentation
- ▶ Reports its Responsible Gaming activities, results and future plans to its Stakeholders through various means, which include among others:
 - ▼ The Annual Report
 - ▼ The Corporate website
 - ▼ Newsletters
 - ▼ Interviews to industry-specific magazines
 - ▼ Social media



INTERNATIONAL GOOD PRACTICE

Totolotek Responsible Gaming Certification

In 2018, INTRALOT Group subsidiary Totolotek S.A. in Poland, member of European Lotteries (EL), renewed its EL Responsible Gaming Certification, which was first received in 2015, following the relevant external audit by an independent EL-approved assessor, as the result of its cross-functional efforts to adhere to the principles of Responsible Gaming and its efforts to implement INTRALOT Group's standards.

The certification confirms the Group's commitment to:

- ▶ Advance Responsible Gaming standards and practices throughout its subsidiaries worldwide
- ▶ Diffuse issues related to Responsible Gaming in the gaming sector
- ▶ Create additional value for society and Stakeholders



5.2 Research

Contributing to society's understanding of Responsible Gaming

INTRALOT Group cooperates with independent organizations and institutions to initiate and engage in research studies or surveys and understand problem gaming, in order to:

- ▶ Contribute to the understanding of problem gaming
- ▶ Utilize new technologies to prevent problem gaming
- ▶ Improve gaming practices and enable Responsible Gaming

As of 2018, the Group has on-going partnerships with:

- ▶ The University of Hohenheim's Gambling Research Center
- ▶ The gaming innovation cluster of the Corallia Clusters initiative
- ▶ The Center of Excellence for Research and Education Athens Information Technology (AIT)



GOOD PRACTICE Research on Gaming

Being committed to WLA's Responsible Gaming principles, INTRALOT Group supports research initiatives related to gaming addiction and problem gaming. As INTRALOT's research associate, the Athens Information Technology (AIT) conducted the Addiction Detection Research for mining addictive behavior and examined over 467,000 players involved in transactions from 2017 until beginning of 2019 in the Group's online operations in Australia and Chile. The research utilized the 5th edition of the American Psychiatric Association's

Diagnostic and Statistical Manual of Mental Disorders and AIT's rule-extraction system (QARMA) to identify players who kept doubling their bets consecutively or wager bets for a long consecutive time period, which are considered as suspicious symptoms of possibly addictive behavior, without however indicating any evidence of addictive behavior among players. At the moment, the research results have been submitted for evaluation, in order to be communicated to targeted partners and customers.

Furthermore since 2008, INTRALOT supports the University of Hohenheim's Gambling Research Center, an independent scientific non-profit institution and the only academic gambling research center in Germany, which:

- ▶ Utilizes an interdisciplinary scientific approach to examine the various aspects of gaming and gambling
- ▶ Conducts research on various economic and social aspects of betting games
- ▶ Identifies their impact on player behavior, habits and lifestyle

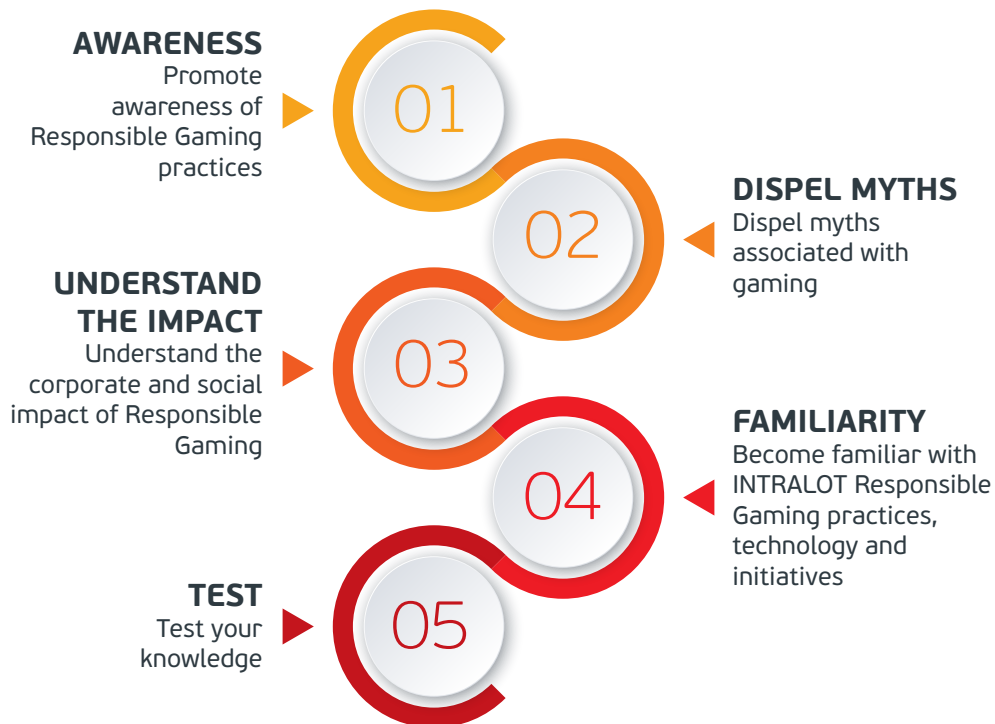


5.3 Employee Training

Training employees

The employee training program on Responsible Gaming practices aims to educate INTRALOT Group employees to uphold the highest standards related to Responsible Gaming.

Learning objectives of Responsible Gaming trainings



INTRALOT's training experts of the Human Resources / People Development Department design, implement, evaluate and continuously improve the employee training programs, while the People Development Department collaborates with INTRALOT's Responsible Gaming Committee to develop the educational content and its certified trainers conduct all training modules, except training modules intended for Marketing and Technology employees, which are conducted by qualified specialists. The training methodology is subject to ISO 9001, ISO 27001 and WLA SCS certifications, utilizes different training methods (including e-learning) depending on the module and intended audience and consists of the following activities:

- ▶ **Responsible Gaming awareness for new employees:** Upon recruitment, newly hired employees undergo a Corporate Induction Program, which includes a stand-alone course on Responsible Gaming, in order to familiarize themselves with the Responsible Gaming principles and policies and become aware of relevant practices and initiatives. Within 2018, all newly hired employees attended the Responsible Gaming training
- ▶ **Responsible Gaming awareness for all employees:** In order to ensure that employees are informed and aware about the Company's Responsible Gaming principles and policies, INTRALOT:
 - ▶ Disseminates a Responsible Gaming Quick Reference Card to all employees
 - ▶ Sends informative emails to all employees about the importance of Responsible Gaming
 - ▶ Posts relevant information and Responsible Gaming materials and has uploaded a Responsible Gaming leaflet on the Corporate intranet portal, where all employees have access
 - ▶ Has developed a Responsible Gaming e-learning course, which is available to all employees at Group level
 - ▶ Has included Responsible Gaming practices and references in the Corporate Induction Program and Corporate Induction Handbook
- ▶ **Responsible Gaming awareness / training for specific job roles:** INTRALOT informs certain job roles on Responsible Gaming at least annually, which include (but are not limited to) employees in the:
 - ▶ Customer Experience Department, e.g. Digital Transformation, Commercial Retail Solutions, Product Marketing, Engineering (Retail Channels)
 - ▶ Corporate Affairs Department
 - ▶ People Development / Human Resources Department



85% of employees were briefed on Responsible Gaming practices

Employee Training on Responsible Gaming



*Instructor-led classroom training data for 2015-2018 refer only to INTRALOT S.A.

**E-learning training data refer to INTRALOT S.A., INTRALOT Australia, INTRALOT Germany, Maltco Lotteries, INTRALOT BV, INTRALOT de Peru, INTRALOT Italy, INTRALOT Morocco, INTRALOT Ohio and INTRALOT Georgia (for 2015), INTRALOT S.A., INTRALOT Australia, INTRALOT Germany and Maltco Lotteries (for 2016 and 2017) and INTRALOT S.A. (for 2018).

*** Responsible Gaming products' training data refer to INTRALOT S.A., INTRALOT de Peru, INTRALOT Brazil and Jamaica SVL (for 2015) and INTRALOT S.A., INTRALOT Chile and INTRALOT Morocco (for 2016 and 2017).



100% of newly hired employees were trained on Responsible Gaming practices

Total duration of Responsible Gaming trainings reached 564 training hours



Evaluating employee training programs on Responsible Gaming

Depending on each module's learning objectives, the Group determines the learning level (expected outcome) through methods such as open discussion, questions and answers, role plays and quizzes. Furthermore, there is a detailed course evaluation at the end of each training module, in order to determine the training course effectiveness or identify any need for extra training, with the overall evaluation of Responsible Gaming training programs rated as 'good' or 'excellent' reaching 90%, compared to 89% in 2017.

5.4 Product and Service Features

Offering safe and quality products and games

INTRALOT Group has adopted an integrated approach to design and monitor the quality and safety requirements for all of its products throughout their entire lifecycle, based on which the Group:

- ▶ Complies with the safety regulations in each market and jurisdiction for all gaming terminals
- ▶ Clearly displays its gaming terminals' compliance with the appropriate labels (CE, FCC, C-Tick)
- ▶ Considers safety compliance from the initial stage of product design
- ▶ Collaborates with internationally accredited laboratories to test and certify product compliance as well as independent inspection and certification laboratories to test and certify its games
- ▶ Meets the standards acknowledged and used by Regulatory Authorities for game design
- ▶ Verifies the credibility and integrity of its games and ensures that they are fair and secure

As a result of the Group's practices, in 2018 there were:

- ▶ No customer complaints or incidents of non-compliance with regulations and voluntary codes concerning product and service provision and use or their health and safety impacts during their life cycle
- ▶ No recalls of any product
- ▶ No investigations or legal actions for non-compliance related to product and service provision and use or their health and safety impacts
- ▶ No relevant fines or non-monetary sanctions for non-compliance with laws and regulations by the respective authorities



GOOD PRACTICE Responsible Gaming Technology

INTRALOT Group's technologies and IT systems functionalities support the Group's and its customers' Responsible Gaming activities to ensure a fair and safe gaming experience, since the Group's terminals:

- ▶ Can read the player's profile data in his/her Player Card, in order to identify his/her age and prevent minors to participate in games of chance
- ▶ Allow players to remain within a specific amount for their gaming budget and self-exclude or block themselves from games for an unlimited or specified time period, in order to prevent excessive gaming
- ▶ Display reminder messages to players, in case they reached the predefined gaming amount
- ▶ Incorporate and display Responsible Gaming messages to players
- ▶ Allow personalized Responsible Gaming suggestions, depending on a player's gaming behavior
- ▶ Can multicast Responsible Gaming messages and TV spots to other terminals, ticket checkers, printers, TVs and any other display within Points of Sale



GOOD PRACTICE Anti-Money Laundering

The Group's Anti-Money Laundering Guidelines ensure that the services offered via its global operations are not used for money laundering purposes. The Guidelines are mandatory for all employees and feature a risk-based approach to assess and mitigate money laundering risks, through which the Group:

- ▶ Identifies money laundering risks relevant to the specific entity
- ▶ Assesses and prioritizes identified risks through a three-stage process (Identification – Analysis – Evaluation)
- ▶ Designs and implements policies and procedures to manage and mitigate these risks
- ▶ Monitors and improves the effective operation of control mechanisms
- ▶ Records implemented actions

Throughout its operations, the Group identifies and assesses potential Anti-Money laundering risks by its customers through various measures, which include KYC approach (Know-Your-Customer), due diligence checks and monitoring of gambling activity (e.g. account deposits and withdrawals). In cases of an attempt to launder criminal proceeds, the Group does not establish or immediately terminates the business relationship, with no such cases identified within 2018.

In each jurisdiction, Group entities are required to:

- ▶ Immediately report any suspicious activity (e.g. unusual gambling patterns, increased spending over time, repeated similar transactions) to competent authorities
- ▶ Appoint a nominated officer with access to all available and relevant information to identify, assess, monitor and effectively manage money laundering risks, who is also responsible to report suspicious activities or approve transactions
- ▶ Conduct awareness raising sessions and/or training programs for employees and retailers/agents to ensure they are able to identify and report unusual activities and transactions as well as understand money laundering risks, obligations and required actions

Minimizing risk before launching a new game

Being committed to ensure appropriate game design with embedded Responsible Gaming characteristics, the Group has implemented Social Impact Assessments for all its products to minimize risk before launching a new game, based on the following approach:

Social impact



As an integral part of its game design process, the Group utilizes the iRGD tool (INTRALOT Responsible Gaming Designer), created in collaboration with Athens Information Technology (AIT) and independent international scientists, which analyzes the following characteristics to conduct Social Impact Assessments per game, channel or territory, in order to test the social impact of games and provide results and recommendations for improvement:

- ▶ **Structural characteristics:** game features related to initiate, expand and maintain playing over time
- ▶ **Situational characteristics:** game features primarily related to the gaming environment (e.g. retailer store, Video Lottery venue, internet or mobile channel)
- ▶ **Responsible Gaming characteristics:** features that may impact the players' gaming pattern (i.e. self-imposed time and/or financial limits, etc.)



INTERNATIONAL GOOD PRACTICE

Support Game Researchers and Designers

In 2018, the University of Malta's Institute of Digital Games presented the two completed projects that were funded through a Maltco Lotteries' research sponsorship to promote research and innovation in digital games and gain insights towards gaming evolution. Maltco Lotteries and the Institute of Digital Games partnered to experiment in game design and explore the full capabilities of games (e.g. virtual world applications, Artificial Intelligence algorithms), in order to support the next-generation of game researchers and designers in Malta.



5.5 Remote Gaming

Imposing data protection controls

INTRALOT Group emphasizes to implement control procedures, in order to safeguard the games' security and ensure their reliability, as indicated by the following measures:

- ▶ For draw games, the Group utilizes proven IT mechanisms and security measures, which virtually eliminate the possibility of hacking and/or information manipulation. At the same time, an appointed bailiff representing the players is responsible to control the wagers' closing prior to publicly broadcasting the games' draws and monitor the draws
- ▶ For instant games, the Group implements various security mechanisms and controls to randomly allocate winnings to tickets and prevent any 'localization' of winning tickets

As a result of the Group's practices, in 2018 there were no complaints concerning security and reliability of its games.

Protecting players in online gaming

INTRALOT Group commits to ensure that its products and solutions for remote gaming platforms feature the necessary characteristics to protect players and monitor their participation, in order to cultivate a remote gaming environment that respects and upholds the principles of Responsible Gaming.

Remote gaming platforms:

The Group's remote gaming platforms feature some of the industry's leading practices, as they:

- ▶ Comply with the relevant legislation regarding protection of personal data and the Group has adopted the new European Union General Data Protection Regulation as a minimum Privacy Standard for all entities
- ▶ Implements player privacy controls according to the European Privacy Network
- ▶ Require that all players have to register, in order to participate to games provided by operators
- ▶ Follow strict security standards regarding player registration and gaming behavior
- ▶ Players can verify their age and information such as home address and personal Tax Identification Number, either via the system's online interface (where players are requested to submit a copy of identification documents, such as personal identity card, driver's license, passport, a public utility bill or a bank statement) and verified by a third party or offline by authorized personnel (e.g. retailers) and standardized procedures
- ▶ Do not allow multiple accounts per user through control mechanisms, such as proof of address and bank account verification
- ▶ Do not permit any further online gaming, in case the player's age is not verified after the first deposit or player registration
- ▶ Incorporate a flagging system and real-time alerts
- ▶ Include a dedicated monitoring process that triggers personalized Responsible Gaming messages to inform players about potentially excessive and problematic gaming behavior
- ▶ Display the wager value and indicate the time played in each gaming session with a dedicated clock

Examples of Responsible Gaming Alerts



- ▶ Provide a detailed history of activities linked to a player account, such as financial and gaming transactions as well as participation to gaming sessions
- ▶ Players can configure the history view and filter on specific criteria, such as game category, specific game, date of participation, draws, winnings, betted numbers or team
- ▶ Provide centralized payment management for all transaction types
- ▶ Players can set their own limits depending on their personal risk profile, including limits on personal spending, losses and deposits, each gaming session and time spent on gaming
- ▶ Players can set temporal limits to prevent excessive gaming, including limits on:
 - ▼ Time period between participation in games, especially in games that potentially allow a high frequency of play, such as instant win tickets
 - ▼ Minimum time to participate in consecutive gaming sessions, such as a day or a week
 - ▼ Duration of a gaming session, especially in numerical games with high frequency draws
- ▶ Players can review their limits at any time and can increase or extend them only after a specified cool off (or temporization) period has elapsed
- ▶ Lottery operators can set limits for all players (e.g. maximum spending or time limit) or set default player limits, which are applied by default if the player does not specify one
- ▶ Players can exclude themselves from all or a specific category of games, through:
 - ▼ The definitive exclusion, where players can definitively exclude themselves from some games
 - ▼ The temporary exclusion, where players can exclude themselves from participation to some games (e.g. for one week or one month), with the exclusion becoming definitive for players who repetitively exclude themselves (e.g. five times) across a certain period (e.g. one year)
- ▶ Players can opt to close their accounts immediately
- ▶ Include self-assessments questionnaires for players who are concerned about their gaming behavior



GOOD PRACTICE

Private Data Protection and Data Breach Reporting

Indicating its commitment to systematically protect personal data within its Information Security Management System, INTRALOT implements specific rules and controls in the following areas:

- ▶ Organizational controls (e.g. a Data Privacy Officer in all Group companies with over 250 employees)
- ▶ Risk assessment and data identification (e.g. risk assessment of products and operations)
- ▶ Technical controls (e.g. maintain encrypted backup of personal data)
- ▶ Operational controls (e.g. strictly prohibit transfer of personal data outside a jurisdiction, unless written authorized by the Group Legal Counsel and the Group Information Security Officer to justify as legally compliant)
- ▶ Contractual (third party and employee) controls (e.g. data processing according to a contract or other legal act)

Any person who processes personal data (processor) has to immediately notify any data breach to the controller (the person who determines the scope and means of personal data processing). The breach is reported to the Group Information Security Department and the controller coordinates with the Group Legal Department, the Group Information Security Department and the Data Protection Officer for any further reporting actions within 72 hours. The controller informs the persons affected by any potential data breach about the nature of the breach and the recommended actions to mitigate potential adverse effects.

Responsible Gaming Pre-Commitment System:

The pre-commitment systems introduce restrictions on electronic gaming machines (EGMs) and prevent players from spending more money than they originally intended. The Group includes a Player Pre-Commitment System in an EGM monitoring system and has developed the Responsible Gaming Module for its iGEM Monitoring System, which is used to monitor, manage and control large networks of EGMs. Within this context, players can register via web or in any gaming venue and get a player card to access their account and set personalized game limits or self-exclusion options. The system also allows anonymous player cards for pre-commitment purposes, in case players wish to play anonymously, and offers various options to players, including:

- ▶ Selection of either a Voluntary Scheme (where non-registered players can play in EGMs) or a Mandatory Scheme (where player cards from registered players with player-set limits are necessary to activate the games)
- ▶ Support of anonymous or named registration
- ▶ Configuration to stop game play when a limit is reached or to allow game play after that limit, either with or without warnings.
- ▶ Access to real-time information about the players' gaming activity before and after the set limits
- ▶ Set fully configurable limits that can be activated or deactivated, such as financial loss, play duration and bet amount, applicable on a daily, weekly or monthly basis
- ▶ Display of configurable warning messages and levels
- ▶ Access to online self-assessment questionnaires to measure the risk of excessive gaming behavior
- ▶ Links to resources and organizations engaged in Responsible Gaming and problem gaming

GOOD PRACTICE Information Security Assessment

According to a formally established procedure, INTRALOT utilizes an Information Security Compliance Questionnaire to conduct an Information Security Assessment prior to adopt a third party product and requests from third parties to elaborate on their processes, practices and mechanisms in the following areas:

- ▶ General security controls.
- ▶ Internet gaming security.
- ▶ Player management compliance with regulations.
- ▶ Fraud prevention.
- ▶ Responsible gaming.

At the same time, the Company has developed an Information Security Compliance Questionnaire for Cloud Service Providers, which is structured around the following areas:

- ▶ Infrastructure.
- ▶ Assurance and Compliance.
- ▶ Business Continuity Management.
- ▶ Data.
- ▶ Encryption and Key Management.
- ▶ Network Security.
- ▶ Incident Reporting.

As a result, in 2018 there were:

- ▶ No complaints regarding breaches of customer privacy and losses of customer data
- ▶ No incidents of non-compliance with laws, regulations or voluntary codes and no investigations or no legal actions regarding breaches of customer privacy or losses of customer data
- ▶ No relevant fines or non-monetary sanctions imposed by the respective authorities

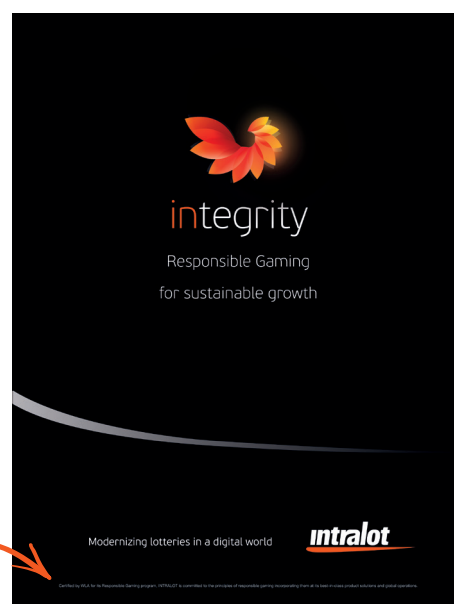
5.6 Responsible Communication

Advertising products responsibly

The Group's advertising and marketing communications and activities in all jurisdictions are aligned with the standards and practices adopted and implemented by WLA members, since they:

- ▶ Are consistent with the industry's principles of dignity and integrity as well as with its mission and values
- ▶ Abide by WLA Responsible Gaming principles
- ▶ Include a statement of its commitment to Responsible Gaming
- ▶ Do not encourage people to play excessively or exceed their limits
- ▶ Do not imply or refer to or portray any illegal activity
- ▶ Do not mislead that all players will win high prizes
- ▶ Do not contain or imply improper or indecent language, images and actions.
- ▶ Comply with the relevant legislation, including unfair competition and consumer protection
- ▶ Do not encourage underage or problem play
- ▶ Do not provide player with misleading information such as false impression on winning odds
- ▶ Local subsidiaries are involved in marketing and advertising activities of its products and services, in order to ensure that they comply with local regulations are respect local culture

Certified by WLA for its Responsible Gaming program, INTRALOT is committed to the principles of responsible gaming incorporating them at its best-in-class product solutions and global operations.



Within 2018, there were:

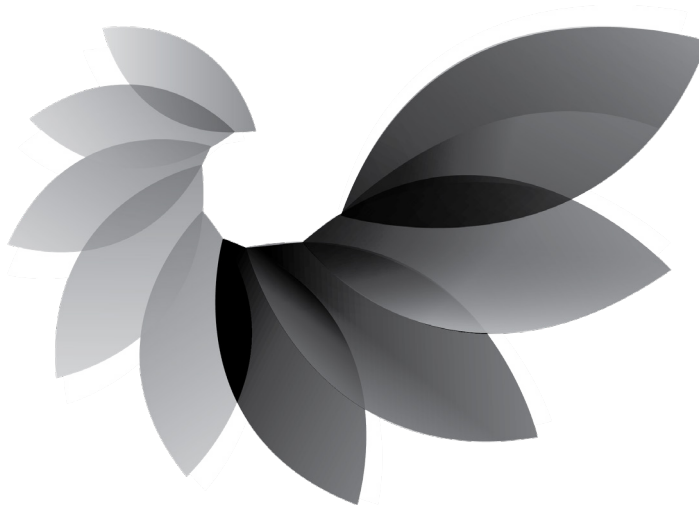
- ▶ No sales of banned or disputed products and services in any foreign market of operation
- ▶ No customer complaints to respective authorities concerning marketing, advertising and promotion activities and product or service information (e.g. product labeling)
- ▶ No cases of advertising campaigns being withdrawn after release
- ▶ No incidents of non-compliance with regulations and voluntary codes and no investigations or legal actions concerning product and service information and labeling as well as marketing communications (e.g. advertising, promotion and sponsorship)
- ▶ No relevant fines or non-monetary sanctions imposed by respective authorities

Replying to customers' requests

INTRALOT Group has established the INTRALOT's Service Desk within the Global Technology Operations Department in compliance with ISO 20000:2015 requirements for IT Service Management to support its customers, which:

- ▶ Functions as a single point of contact 24 hours a day, 7 days a week, between customers and internal support groups for management of IT and Application Support and Services
- ▶ Records and monitors incidents and service requests, according to the Incident Management Procedure
- ▶ Provides advises, solutions, workarounds and responses to all customer requests and ensures that all requests are handled effectively within the agreed Service Level Agreements, where applied
- ▶ Records errors and solutions in the Knowledge database, according to the Problem Management Procedure maintained by its 2nd level support groups

INTRALOT monitors all incidents reported, in order to identify customer concerns and areas for improvement, and INTRALOT's Top Management monitors and reviews all incidents classified as high priority.



POLICY Media Relations

According to a formal corporate procedure concerning corporate communication issues (such as press releases, announcements, interviews and Responsible Gaming):

- ▶ The Group Corporate Affairs Department (GCAD) reviews and approves all press releases that contain corporate information (both international and local)
- ▶ Subsidiaries should inform the GCAD before dissemination of press releases for local promotional news directly to local media, in order to decide their compliance with Group policies and that the news are of broader interest
- ▶ The press release or a draft version has to be sent to the GCAD at least 2 days before its release for the required approval procedures
- ▶ If the communication material concerns another party as well (e.g. business partner, customer), the GCAD sends the final draft to them (as prepared or approved by the GCAD), in order to review and approve it

It must be noted that in 2018, there were no cases of non-compliance with the above corporate procedure.

Service Requests and Complaints

	2015	2016	2017	2018
Total Service Requests (number)	6,931	11,275	15,171	18,699
Answered calls (%)	100	100	100	100
Resolved requests (%)	100	100	100	100



100% of service requests were resolved

Measuring player satisfaction

As player satisfaction is an ongoing process, the Group utilizes information from the tens of millions player-initiated transactions on a global scale to analyze their actual behavior, in order to deepen understanding of the players.

5.7 Players Awareness and Training

Informing customers

INTRALOT Group strives to promote customer awareness on Responsible Gaming and ensure that players are well-informed and vulnerable groups are constantly protected. Therefore, the Group:

- ▶ Includes a detailed list (service catalogue) with the Responsible Gaming features of its remote gaming platforms within all Requests for Proposal (RFP)
- ▶ Has created and provides a Quick Reference Guide with information about Responsible Gaming to its customers

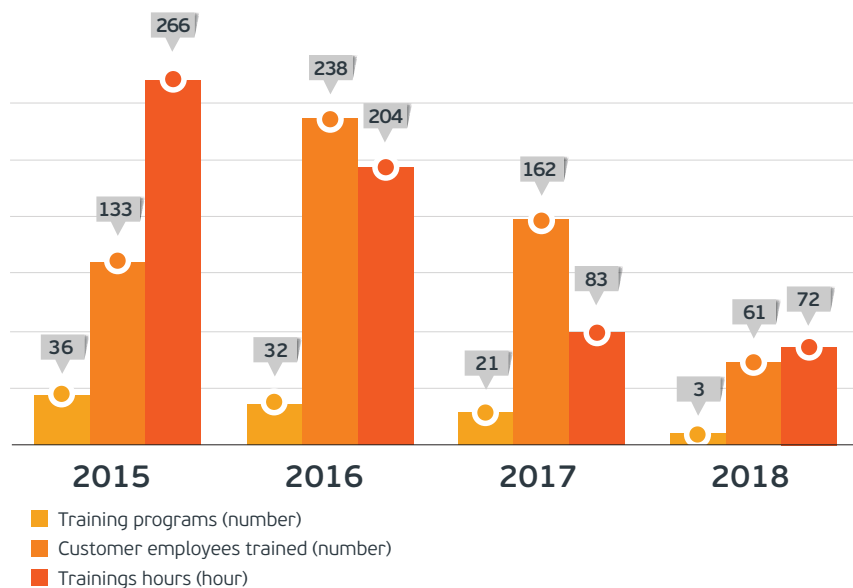
Training customers on Responsible Gaming

INTRALOT's Learning Center is responsible to design, develop, implement and monitor the Responsible Gaming training activities to customers and collaborates with experts across different departments and INTRALOT provides specific Responsible Gaming courses, such as courses for Retailers, Call Center employees and Business Users, depending on the employee groups per customer.

The Responsible Gaming training activities aim to properly inform and educate customers and their players through:

- ▶ Instructor-led training in classrooms and associated material
- ▶ Knowledge-transfer programs, as part of awarded contracts for the Group's products and services, such as customer training on the new Pulse product features within 2018

Customer Training on Responsible Gaming*



*Customers for 2015 include Magnum Corporation (Malaysia), Dutch Lotteries Staatloterij and De Lotto (Netherlands), AzerInteltek (Azerbaijan) and Hrvatska Lutrija (Croatia, Bulgaria); customers for 2016 include Polla Chilena (Chile), PLI (Ireland), Philippines Charity (POSC), Moroccan Lotteries (MDJS and LN), Lotterywest (Australia), Eurofootball (Bulgaria) and ABLE (Philippines); customers for 2017 include LotteryWest (Western Australia), SVL (Jamaica) and Polla Chilena (Chile); customers for 2018 include Eurofootball (Bulgaria), NLO (Netherlands) and Louisiana (USA).



61 customer employees were **trained** on Responsible Gaming, for a **total** duration of **72 training hours**



GOOD PRACTICE Evaluating Training Effectiveness

Upon completion of each training module, participants are requested to anonymously complete a printed Training Evaluation Form, in order to assess:

- ▶ Course content
- ▶ Trainer competency
- ▶ Training quality
- ▶ Training usefulness

After each training course, the customer receives a composite Training Evaluation Report with all information received, input from trainers, training executives or other sources as well as potential further actions to improve training quality.



INTERNATIONAL GOOD PRACTICE Responsible Gaming Training

Recognizing the importance to promote Responsible Gaming practices to retailers and prevent illegal, underage and problem gaming:

- ▶ Maltco Lotteries includes Responsible Gaming principles in all retailer training presentations and trained all 210 retailers to responsibly promote the company's games to the public within 2018, on the occasion of the Super Star game launch.
- ▶ Inteltek implements annual training programs to its retailers, as part of their license and WLA certification, which include a dedicated Responsible Gaming section.
- ▶ INTRALOT Maroc holds an overall management and operation contract with Morocco's state sports lottery organization MDJS (La Marocaine Des Jeux et Des Sports – Moroccan Games and Sports) and MDJS implements Responsible Gaming training sessions every two years to retailers, as part of the respective WLA certification.

Providing information to players

INTRALOT Group strives to inform players and their relatives as well as the society in general, regarding the rational participation in games of chance and the adverse consequences related to irresponsible gaming. Therefore, the Group complies with all legal labeling requirements, as indicatively mentioned below:

- ▶ All games include Responsible Gaming messages
- ▶ All games have clear labeling, which indicates the age restrictions to participate in games
- ▶ All games include information on the applicable Regulatory Authority
- ▶ All games' informational material and guides include Responsible Gaming messages and have clear and visible information on game odds
- ▶ Online gaming platforms display information about Responsible Gaming (e.g. self-assessment questionnaires, helpline numbers)
- ▶ All terminals in agencies and other Points of Sale feature information about Responsible Gaming
- ▶ Additional information on Responsible Gaming is also available through the corporate website



Responsible Gaming information and messages are displayed to **100% of games and terminals**



GOOD PRACTICE Identifying Gaming Habits

The Group has designed and provides to lotteries a short questionnaire with 3 questions and a detailed questionnaire with 9 questions, in order to identify gaming habits and indicate if a player experiences issues with his/her gaming habits. If a player scores above a specific threshold on the short questionnaire, they are advised to continue with the detailed one. Both questionnaires are based on the 5th edition of the American Psychiatric Association's Diagnostic and Statistical Manual of Mental Disorders.



INTERNATIONAL GOOD PRACTICE Obligations of Maltco Lotteries' Agents and Sellers

Maltco Lotteries has specifically defined its agents' and sellers' obligations regarding Responsible Gaming, who are required to:

- ▶ Prominently display the Responsible Gaming motto and the '18+' sign in their Point of Sale
- ▶ Not sell tickets to persons under the age of 18 even if they act on behalf of a parent/guardian
- ▶ Not give credit to players
- ▶ Always require cash immediately after they issue any selling ticket
- ▶ Make the Responsible Gaming literature available in their Points of Sale
- ▶ Inform and explain the nature of Responsible Gaming to their customers
- ▶ Protect vulnerable persons
- ▶ Offer assistance to any player who might be suffering from compulsive gambling
- ▶ Inform the respective anti-gambling agencies on any addictive gambling cases

At the same time, the company informs its agents and sellers on the warning signs of addictive gambling and indicates the advices they should give to players, in order to refrain from compulsive gambling.

Assisting players with problematic behavior

The Group cooperates with expert organizations for health services and counseling to addicted gamers in several of the jurisdictions where it operates, in order to:

- ▶ Prevent gaming addiction and dependency on games of chance
- ▶ Provide guidance to players with problematic behavior and their relatives
- ▶ Inform on the ways to receive information and practical support, in cases of excessive participation in games
- ▶ Report problem gaming incidents to these organizations

INTRALOT Group has developed treatment referral collaborations in several jurisdictions, such as with the Montana Council on problem Gambling, a non-profit agency dedicated to alleviate gaming-related social and personal distress. Additionally, since several of its Lottery customers have developed collaborations with specialized organizations on gaming addiction and problem gaming therapy, the Group regularly promotes information about the availability of this support throughout their sales networks.



INTERNATIONAL GOOD PRACTICE Treatment Referral

In Malta, Maltco Lotteries:

- ▶ Offers Self Tests in English and Maltese to players, which feature 8 questions to identify problem gambling behavior and inform players about the consultation and treatment providers in Malta as well as the company's Helpline Centre
- ▶ Has introduced a Responsible Gaming section in its Players' Booklet with information for players to play responsibly, including frequently asked questions and information on treatment referral



2018 Objectives

			% of completion
		Publish and promote the survey results on addiction patterns in collaboration with Athens Information Technology	75%
		Participate in the new WLA / EL Framework (GLMS) against match fixing	100%
		Renew the WLA Responsible Gaming Standards Certification for Associate Members	100%
		Train customers in the new Pulse product features	100%

Future Objectives

		Collect additional data related to addiction patterns for deeper analysis and communicate results to targeted partners and customers	by 2020
		Include a new 'Responsible Gaming' category in INTRALOT Hackathon's challenges	by 2019
		Develop a Responsible Gaming Leaflet to promote Responsible Gaming	by 2019
		Brief and inform our Stakeholders on Responsible Gaming issues	by 2019

6.0 EMPLOYEE WELLBEING



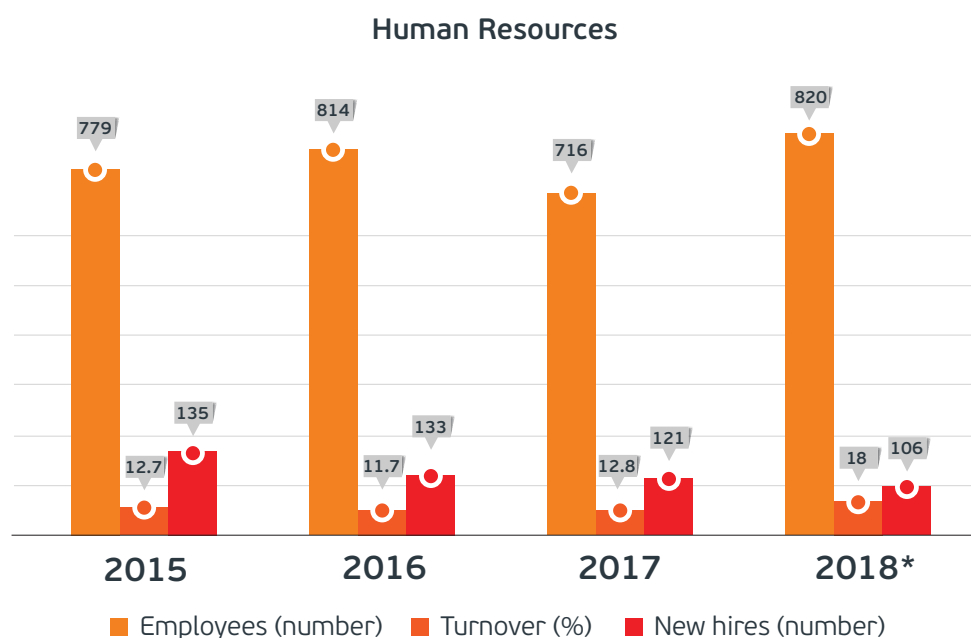
6.1 Overview

INTRALOT's human resources allow the Company to operate successfully within a constantly changing business environment and effectively face the challenges of the gaming industry. For this reason, it is imperative for INTRALOT to cultivate a healthy and safe workplace, respect human rights and diversity and create the necessary opportunities for personal and professional development of its employees.

6.2 Positions and Benefits

Maintaining work positions

INTRALOT directly occupies 820 employees, while its business activity indirectly supports hundreds work positions.



**Data for 2018 refer to INTRALOT S.A., INTRALOT Services S.A., and Betting Company S.A.*



820 employees are **directly employed**, while the Company's activities indirectly **support hundreds work positions** all over the country

Employee distribution*

Position	Directors	Managers	Employees			Total
Employees (number)	60	108	652			820
Type of employment	Permanent	Temporary	Full-Time			Part-Time
Employees (number)	810	10 (3 women)	799			21 (14 women)
Gender	Female	Male				
Employees (number)	256	564				
Age	<30	30-50	>50			
Employees (number)	78	625	117			
New hires	Female	Male	Age <30	Age 30-50	Age >50	
Employees (number)	29	77	44	61	1	
Turnover**	Female	Male	Age <30	Age 30-50	Age >50	
Employees (number)	49	99	19	107	22	
Turnover	Resignations	Redundancies				
Employees (%)	66.7	33.3				
Categories	Handicapped	Foreigners				
Employees (number)	0	4				
Duration of employment	<5 Years	5-10 Years	>10 Years			
Employees (%)	58.5	18.5	23			

*Data refer to 31/12/2018.

**Turnover data do not include INTRALOT employees who left for other INTRALOT Group's companies in Greece and abroad.

It must be noted that:

- ▶ 97.4% of employees are full-time
- ▶ The average age of employees is 40.8 years.
- ▶ The average duration of employment is 5.9 years
- ▶ The average turnover rate is 18%, with men employees having a turnover rate higher by approximately 50% compared to women employees
- ▶ 99.8% of employees and 99.8% of managers (at Head/Director, Group Director and Chief level) hired within 2018 were from the local community, without requiring relocation
- ▶ There are no variations in employment numbers due to seasonality



98.8% of employees have permanent employment contracts

Allocation of employees per Division/Entity*



*Data refer to 31/12/2018.

Communicating with employees

INTRALOT utilizes a wide range of internal communication means to establish a systematic dialogue with its employees, such as:

- ▶ Corporate intranet portal iSpace
- ▶ 'HR Here' focus groups between employees and senior representatives from Human Resources Division
- ▶ 'Your Voice' biannual Employee Opinion Survey and 'Your Voice' on Corporate intranet portal, which is openly available to all employees at any time for suggestions, comments and improvement ideas
- ▶ E-mail announcements
- ▶ Open door policy
- ▶ Personal communication through respective managers and department heads
- ▶ Regular meetings
- ▶ Awareness and training initiatives

As a result:

- ▶ All employees have been informed at least once regarding Sustainability and Corporate Responsibility issues
- ▶ There were 7 internal communication activities regarding Sustainability and Corporate Responsibility issues in 2018, compared to 2 activities in 2017



100% of employees have been informed
on **Corporate Responsibility** issues

Handling work-life balance

INTRALOT is aware of the importance to promote work-life balance for its employees and aims to create and maintain a work environment which respects its employees' work and personal responsibilities, in order to increase job satisfaction and employee productivity. For this reason, INTRALOT:

- ▶ Complies with the applicable labor laws, ministerial decisions and collective labor agreements in force concerning:
 - ▼ The daily and weekly work hours of each employee, according to their employment contract
 - ▼ The upper limit for overtime and the additional remuneration to employees working overtime
 - ▼ The start and end time of work
 - ▼ All types of paid or unpaid leaves (e.g. employees' normal leave, which all employees are entitled to receive on completion of the required period with full remuneration and a holiday pay, and maternity leave, which all working mothers can receive during and after pregnancy) and reasons of absence
 - ▼ The implementation of any alternative employment scheme for some or all employees
- ▶ Does not allow overtime work without prior permission from the management (depending on corporate needs) and the relevant Labor Inspectorate, where necessary
- ▶ Has developed the Home-Based Work Policy and permits Technology Division employees to work and perform their regular tasks from home for three to four days a month, if physical presence is not mandatory and allowed by their job requirements and deliverables

It must be noted that within 2018:

- ▶ 10% of employees worked for at least once beyond their typical work hours
- ▶ The average daily overtime work per employee was 0.1 hours and all overtimes were fully and timely paid to employees
- ▶ 100% of employees received their entitled normal leave, as initially planned
- ▶ All 18 female employees who received their parental leave, returned to the Company and 17 out of them were still employed twelve months after their return to work, being also granted reduced working hours due to raising a child
- ▶ 8.5% of all employees utilized working from home, as the Company extended its work-from-home policy to all job positions

Offering additional benefits

The Company has established a Compensation and Benefits Policy for its employees and their families, which offers an extensive additional benefits package and aims to:

- ▶ Increase employees' long-term prosperity
- ▶ Attract new and retain existing employees
- ▶ Increase productivity
- ▶ Enhance job satisfaction

The benefits cover all permanent employees (including part-time and temporary employees), depending on their level and job content. It must be noted that all our employees and their family members are covered by private health insurance, for which the Company spent approximately €777,000 in 2018.

ADDITIONAL BENEFITS



**According to the level of their position.*

Monitoring employees' satisfaction

Within 2018, the Company held 11 'HR Here' focus groups, during which 111 representatives from various Departments openly discussed various employee-related issues with senior HR Department executives.

Moreover, INTRALOT conducts the Employee Opinion Survey 'Your Voice' every two years, in order to capture employee perception and engagement with the Company, with the latest survey implemented in 2017, where all employees received an anonymous electronic questionnaire linked to INTRALOT strategic pillars, values and competencies.

The 2017 survey included 44 questions and was completed by 79.1% of employees, who indicated that they mostly align with the strategic pillar 'Commitment to the provision of reliable solutions to Customers' and most closely identify themselves with the value of 'Accountability'. The survey questions were also grouped into 14 employee engagement categories and participants indicated that the categories with the highest scores were 'Alignment between the management and employees on the Company's vision, values and strategic goals', 'Commitment to quality', 'Respect at the workplace', 'Empowerment' and 'Management'. On the other hand, areas for improvement included 'Efficiency', 'Personal Development', and 'Reward and Recognition'. The survey results were shared with the Company's senior management and were discussed with employees at open sessions with the HR Department.

Furthermore, INTRALOT has placed the 'Your Voice' feature on the Corporate intranet portal for employees to have an open communication channel with HR at all times and propose improvement ideas or other comments towards strengthening employee engagement in different engagement categories (e.g. Collaboration among Teams, Working Environment, Innovation, Efficiency, Personal Development, Reward and Recognition). The Company's management reviews and evaluates all proposals made based on their relevance and implementation feasibility, with over 20 proposals submitted by INTRALOT employees via the 'Your Voice' feature on the Corporate intranet portal during 2018, approximately half of which were implemented.

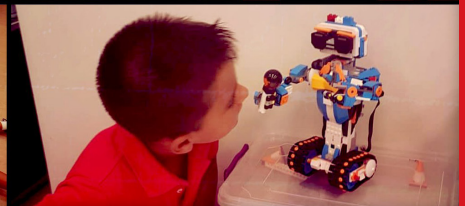


GOOD PRACTICE

Internal Awareness and Engagement Initiatives

During 2018, INTRALOT organized various employee awareness and engagement initiatives, which included:

- ▶ The full-day 'Kids Day at Work' initiative to bring employees' children at work and introduce them to their parents' work environment, who visited the Company's premises and participated in various activities, such as office tours and fun interactive games and shows
- ▶ The 'Little Santa Claus' initiative on the occasion of the Christmas celebration for all employees' children, in order to support children from the 'SOS Children's Villages Greece' (see Section 8.2)
- ▶ The full-day INTRALOT Business Day event to introduce university students to the corporate environment (see Section 8.2).
- ▶ Educational sessions with practical guidelines for parents to help their children to trust themselves and evolve into confident and happy individuals
- ▶ The Easter Bazaar for employees, whose proceedings were donated to the non-profit organization 'The Smile of the Child' (see Section 8.2)
- ▶ The year-round collection of clothes, footwear and toys for children which are contributed to the non-profit organization 'Together for Children' (see Section 8.2)
- ▶ The Summer Music Festival in one of the most prestigious seaside venues in Attica
- ▶ An experiential session on problems faced by persons with disabilities at the workplace and in their daily lives, which included difficulties for persons with physical disabilities, deafness or blindness, in order to familiarize employees with diversity and sensitize them to change their mentality



Rewarding employees

It is particularly important to recognize the contribution of employees to meet the Company's objectives. Therefore, INTRALOT organized the 'Top Performers 2018' special ceremony to reward the top 5% of employees and recognized the performance of 38 employees across all Company's functions, who excelled during the formal annual performance evaluation process for their distinction and commitment, whose names were also posted on the Corporate intranet portal, both for recognition and transparency purposes.

Moreover, within the context of its 'Student Recognition Policy', the Company rewarded 10 employees' children who qualified for admittance at higher educational institutions; thus, recognizing the efforts made by employees and their children throughout the years as well as celebrate a new beginning in the children's lives.



GOOD PRACTICE Hackathon

INTRALOT's Hackathon was aimed at stimulating learning and innovation among INTRALOT Employees both at Headquarters and at our Local Entities around the world.

The Hackathon was comprised of a series of activities, which took place in Autumn & Winter 2018 and continued into the Spring of 2019. The activities that took place in 2018 focused on learning and on preparing for the main Spring event. They included a series of webinars, such as: Idea Generation and Hackathon Tools, Business Model Canvas, Lean and Design Thinking – Fundamentals and Best Practices and How to Pitch Ideas. Moreover, a dedicated INTRALOT Hackathon was created, where all INTRALOT employees had access to all the training material from the webinars and other useful resources, such as articles, presentations etc.

6.3 Development and Training

Facilitating employee induction and orientation

Upon recruitment, newly hired employees participate in a Corporate Induction Program, which includes:

- ▶ General overview of the gaming industry
- ▶ General overview of the Company (e.g. Vision, Mission, Values, Strategy, Group activities, Corporate Responsibility), its products and services (e.g. Games, Terminals, Systems) and work environment (e.g. Code of Conduct, Organizational Structure, Policies and Procedures, Health & Safety, Corporate intranet portal)
- ▶ Basic terminology used within the Company
- ▶ Basic Responsible Gaming principles

The Corporate Induction Program's content is also part of the Induction Handbook, which is distributed to all new employees, is available through the Corporate intranet portal and is updated when key information changes. Specifically for Technology Division, INTRALOT assigns an Onboarding Lead for newly hired employees following the Corporate Induction Program, who oversees their 4-week structured job-specific training program.

Furthermore, an in-depth induction program is conducted for INTRALOT executives, which includes one-to-one sessions with executives from different Divisions and Departments and specialized presentations, in order to become familiar with respective departmental processes and operations.

Within 2018:

- ▶ 98% of all newly hired employees attended the Corporate Induction Program and 65% attended the e-learning training course on the EU General Data Protection Regulation (GDPR)
- ▶ All newly hired executives in senior management positions participated in the Induction program for INTRALOT executives



GOOD PRACTICE Introduction to Information Security Policies and Practices

INTRALOT trains all employees on security policies and practices, with an emphasis on the Company's Information Security Management System (ISMS), in order to:

- ▶ Identify and classify information according to its classification level
- ▶ Correctly use the 3 information security principles (confidentiality, integrity and availability)
- ▶ Identify security violation incidents
- ▶ Understand IT-related information security basics
- ▶ Apply principles of physical security

The Company's Induction sessions include an overview of ISMS and all new employees are required to participate and successfully complete an ISMS e-learning course within two working weeks of employment. It must be noted that within 2018, over 76% of INTRALOT's employees (including 100% of newly hired employees) attended the annual Information Security awareness program.

Furthermore, all employees are required to undergo security training updates on an annual basis, which are primarily conducted through an e-learning course on INTRALOT's e-learning platform. At the end of the course, all employees are required to complete a questionnaire to determine training effectiveness, with a pass score of 80%. In case it is required, INTRALOT also conducts in-class training sessions, with 12 induction classroom sessions within 2018.



POLICY

Training Policy and Annual Training Plan

INTRALOT's Training Policy is closely linked with the Company's Performance Management System. As part of the annual performance evaluation, Line Managers identify development goals/needs for each employee, either related to his/her current or future position, which are recorded in the employee's Individual Development Plan. Afterwards, INTRALOT formulates the annual Training Plan based on:

- ▶ All individual training needs registered in employees' Individual Development Plans
- ▶ Role-based training programs (e.g. management development programs, specific technical skills training per technical role) according to the Company's strategic direction, past training needs, market trends and best practices

INTRALOT highly values training and continuous learning, since they contribute to the professional and personal development of its employees and ensure operational growth.

Training and Development Programs

Corporate	<ul style="list-style-type: none"> ▶ Corporate Induction ▶ Gaming Business Overview ▶ INTRALOT Products ▶ Responsible Gaming Policies and Best Practices ▶ Corporate Management Tools ▶ Corporate Online Services/Applications ▶ Information Security Management System ▶ Quality Management Systems (e.g. ISO 9001, ISO 20000, EFQM) ▶ Health & Safety (e.g. First Aid, Building Evacuation, Fire Suspension)
Functional and Individual	<ul style="list-style-type: none"> ▶ IT Skills (Software Development, Operating Systems, Network Technologies, Database Systems, Web Design, Cloud and Computer Virtualization, Security) ▶ Desktop Computer Skills ▶ Leading through Change ▶ Business Skills (e.g. Finance, Leadership and Management, Project Management, Customer-facing) ▶ Quality and Compliance-related (e.g. Software Quality Testing, ITIL, Information Security, Data Protection, General Data Protection Regulation-GDPR, Anti-Bribery) ▶ Foreign Languages ▶ Seminars and Conventions of Lottery and Gaming Associations



GOOD PRACTICE

People Development Department and Project-Based Learning Center

Being part of the Human Resources function, INTRALOT's People Development Department cooperates with INTRALOT's Learning Center which provides project-related training, with all provided training services certified against the ISO 29990:2010 standard to cover the entire training process. INTRALOT analyzes all training results and stores them in a training database, which is regularly audited, in accordance with the internal audit process and the certifications INTRALOT complies with.

The graph below shows the Employee Training Effectiveness results from the anonymous evaluation forms that are submitted by all participants upon completion of training programs.

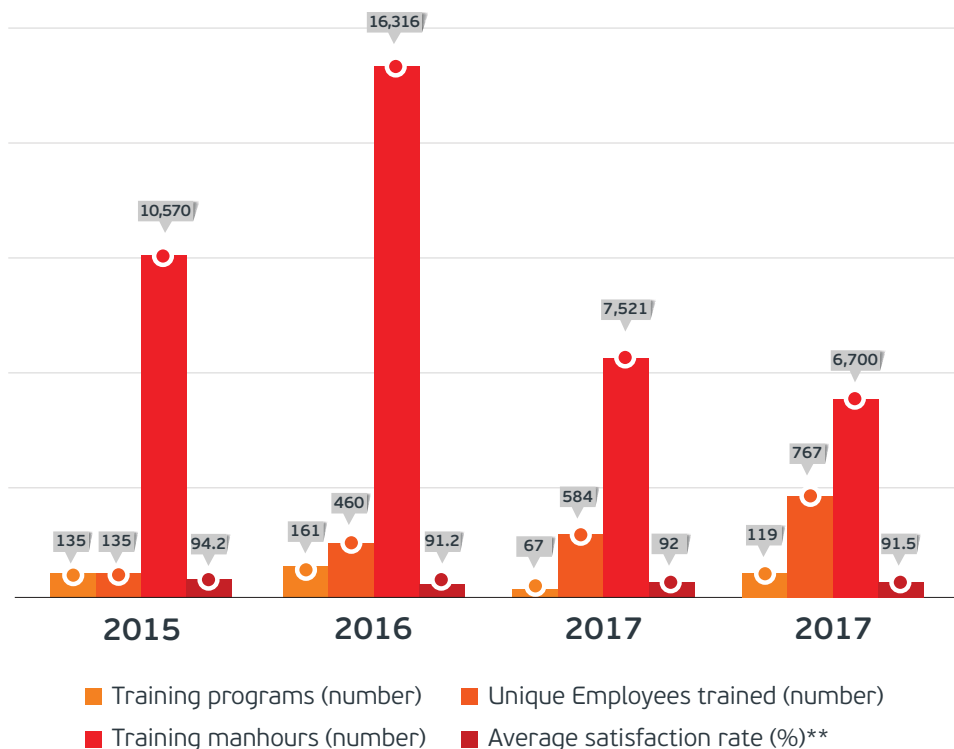


Data for 2015 and 2016 refer both to the effectiveness of Learning Center and Human Resources' People Development Department; data for 2017 and 2018 refer to the effectiveness of Human Resources' People Development Department.

Within 2018, INTRALOT:

- ▶ Designed 4 new in-house compliance training e-learning courses (Information Security Management System 2018, Anti-Bribery and Anti-Corruption, GDPR and Code of Conduct courses)
- ▶ Implemented a Management Development/Leadership Program to 69 managers (approximately 41% of all management positions)
- ▶ Conducted 140 classroom and e-learning training programs, compared to 93 programs in 2017, without conducted any training programs on human rights
- ▶ Trained 80% of its employees (including employees participated in e-learning training programs), with a total duration of 13,653 man-hours (out of which 51% for e-learning training programs), averaging 16.6 hours per employee, compared to 17,836 man-hours in 2017
- ▶ The Average Satisfaction Rate from training programs reached 91.5%, compared to 91.2% in 2017 (according to training satisfaction surveys conducted for approximately 70% of total training programs)
- ▶ Implemented various specialized trainings, which included:
 - ▼ International Software Testing Qualifications Board (ISTQB) training to 11 newly hired Quality Assurance Department employees, out of who 6 were certified in 2018
 - ▼ ITIL Foundation training to 12 employees
 - ▼ AGILE Methodology training to 30 employees
 - ▼ Project Management training to 12 employees
 - ▼ Interviewing Skills training to 29 Hiring Managers
 - ▼ Online training via Pluralsight and UDEMY platforms to 136 Technology Division employees
- ▶ Paid approximately €97,000 for its employees' training programs, compared to €150,000 in 2017

Employee Classroom Training*



*Data for 2015-2018 refer to INTRALOT S.A., INTRALOT Services S.A. and Betting Company S.A.

**Average satisfaction rates for 2015 and 2016 refer both to the effectiveness of Learning Center and Human Resources' People Development Department; average satisfaction rates for 2017 and 2018 refer to the effectiveness of Human Resources' People Development Department.



Number of unique employees **trained through classroom** training programs **increased by 31.3%**



Average **satisfaction** rate from classroom **training programs** reached **91.5%**



GOOD PRACTICE e-Learning Training

Apart from classroom training, the Company also offers e-learning programs through its e-learning platform in the following main categories:

- ▶ Compliance and Certifications, which include mandatory courses for all employees and require successful completion
- ▶ Gaming (industry-related), which include courses on the gaming industry available to all employees (e.g. Responsible Gaming, Gaming Business Overview)
- ▶ Corporate, which include courses relevant to INTRALOT's corporate environment (e.g. Induction and Corporate Applications), INTRALOT-specific programs (e.g. Software Development, Sales Course for Agents) and Soft Skills (e.g. Customer Service)

e-Learning Training*

	2015	2016	2017	2018
Training programs (number)	16	19	26	21
Unique employees trained (number)	465	619	1,810 (includes 792 employees of INTRALOT S.A. and 1,018 employees of INTRALOT Subsidiaries)	527
Training manhours (number)	472	1,459	10,315	6,953

*Data for 2015 and 2016 refer to INTRALOT S.A., INTRALOT Services S.A. and Betting Company S.A.; data for 2017 refer to INTRALOT S.A., INTRALOT Services S.A., Betting Company S.A., INTRALOT IGS, AzerInteltek, Bit8, INTRALOT Germany, Maltco Lotteries, INTRALOT Morocco, INTRALOT BV, Inteltek, INTRALOT Chile and INTRALOT Inc. (Arkansas, Georgia, Idaho, Louisiana, Montana, New Hampshire, New Mexico, Ohio, South Carolina and Vermont); data for 2018 refer only to INTRALOT S.A.

Welcome to INTRALOT's e-learning platform!

Fully customized, in-house courses | Flexible and Repetitive | Accessible through any device

Course Categories

- Compliance & Certifications**
Mandatory Courses for all INTRALOT S.A. employees. Successful completion is required so as to be Compliant with Industry Standards and to receive relevant Certifications such as ISO 20 000 and Information Security Management System.
- Gaming**
Courses that provide general information on the Gaming Industry such as Responsible Gaming and the Gaming Business Overview.
- Corporate**
Courses relevant to INTRALOT S.A. Corporate Environment, such as Induction training for all new INTRALOT employees and the Change Management Application.
- Global Live Network Webcast**
Recorded webcasts available on a variety of topics such as INTRALOT Products and Services and interesting INTRALOT Subsidiaries Success Stories.



INTERNATIONAL GOOD PRACTICE

Information Security Training

Information Security training is regularly conducted via e-learning, not only for employees in INTRALOT Headquarters, but also for its Subsidiaries. In 2018, Information Security trainings were conducted for approximately 75% of employees at INTRALOT S.A. and its Subsidiaries worldwide, which include INTRALOT IGS (Australia), Bit8 (Malta), INTRALOT Germany, INTRALOT Ireland, Maltco Lotteries (Malta), INTRALOT Morocco, INTRALOT BV (Netherlands), INTRALOT Chile and INTRALOT Inc (USA: Arkansas, Georgia, Idaho, Louisiana, Montana, New Hampshire, New Mexico, Ohio, South Carolina, Vermont, Illinois, Wyoming and Washington DC).

Developing employees

INTRALOT's Performance Management Policy establishes the performance management framework to manage development opportunities and address performance that does not meet corporate expectations, which consists of three components:

- ▶ Individual goals, which are associated with the Company's main strategic pillars (e.g. Operational Excellence, Reliable Solutions to Customers and Clients)
- ▶ Role-based competencies, which include:
 - ▼ Leadership
 - ▼ Core
 - ▼ Functional
- ▶ Individual Development Plan, which outlines areas and opportunities for professional and career development

Through its Performance Management System, INTRALOT identifies and manages performance and plans targeted training and development initiatives according to the individual needs of each employee or according to role-based requirements. The system entails full involvement of employees and their managers on the individual development path for each employee, provides a common language on expectations and fair evaluation, and generally links performance results, feedback, recognition and development.

Regarding the 2018 employee performance:

- ▶ Clear goals were included for approximately 99% of all hierarchical levels and roles
- ▶ Performance Management System was implemented for all employees and 360° feedback process was implemented for all People managers
- ▶ Over 99% of all employees eligible for 2018 performance evaluations had attended in-house training on Performance Management



GOOD PRACTICE

Global Mobility Program

INTRALOT has defined and established a Global Mobility Program, which ensures fair and transparent opportunities for all employees on international assignments, and allows knowledge transfer from Headquarters to the subsidiaries and vice versa as well as provides development and career opportunities to employees. In 2018, there were 7 INTRALOT employees who were assigned to new international projects and positions to other INTRALOT Group's companies abroad (one employee in short-term assignment and six employees in long-term assignment), six of whom were between 30-50 years old and one over 50 years old.



INTERNATIONAL GOOD PRACTICE

Performance Management System

INTRALOT Group strives to ensure deployment of a systematic process to identify strengths of its employees and areas for improvement, in order to improve their overall performance. For this reason, the Group extended its Performance Management System to more local entities within 2018, and more specifically to its Subsidiaries in Germany, Chile and Australia.

Promoting employees

It is important for INTRALOT to support the development of its employees, in order to achieve their personal goals and development plans. In case of a new position or advancement to a manager position, the Human Resources Division first examines the possibility to promote an existing employee with the necessary qualifications (such as experience, education, integrity and ethics) and is considered suitable to cover the position. The Company prioritizes internal candidates for an open position and external candidates are only hired in case there are no suitable internal candidates.

According to INTRALOT's Internal Job Posting policy, all open positions at Headquarters and subsidiaries and the necessary requirements are posted on the Corporate intranet portal to increase the process's transparency and all employees can select the position of interest and submit their Curriculum Vitae, with 18% of open positions covered by internal candidates within 2018, compared to 20% in 2017.

Job Posting



6.4 Health and Safety



POLICY Health and Safety

According to the provisions of the Code of Conduct, INTRALOT is committed to comply with all relevant Health and Safety laws and conduct its business in a way that protects the safety of its employees. Therefore, all employees are required to fully comply with the applicable Health and Safety laws, regulations and policies relevant to their work positions.

Ensuring Health and Safety

Having as a priority to offer its employees a safe work environment, the Company strives to ensure suitable and safe work conditions. For this reason, INTRALOT:

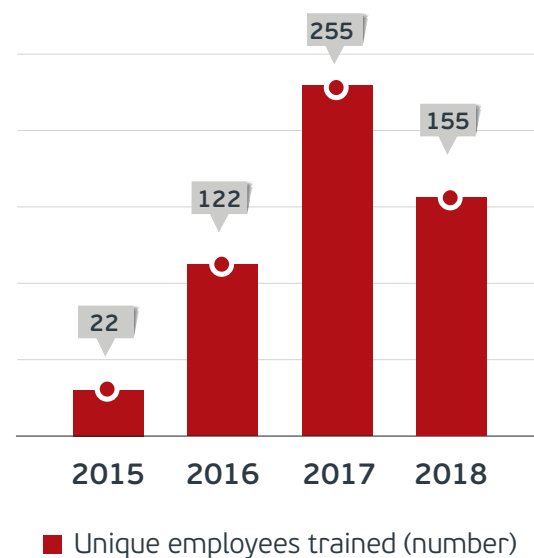
- ▶ Identifies and manages potential Health and Safety risks via written Occupational Risk Assessments, which are revised as necessary and also include the measures to control, minimize and eliminate these risks in accordance with the Greek and European legislation and related practices
- ▶ Uses an external prevention agency for Health and Safety services to evaluate workplaces, offer advices and make suggestions on preventive measures, without any corrective measures required in 2018
- ▶ Provides free consultation to all employees from qualified health professionals on First Aid procedures, seasonal diseases and prevention as well as Health and Safety guidelines. During 2018, 100% of employees received respective information on Health and Safety issues via e-mail
- ▶ Provides the necessary personal protective equipment to warehouse employees
- ▶ Conducts Health and Safety training programs to its employees and encourages their participation in training programs and certification on First Aid held by the Red Cross every two years, in order to have trained First Aid Teams. During 2018, 113 employees (all newly hired employees) participated in a Health and Safety session as part of the Induction Training
- ▶ Conducts annual evacuation drills in its premises, with 42 employees trained on evacuation processes during the respective drills in 2018
- ▶ Registers all visitors at the front desk when they arrive and leave its premises, including employees from other buildings as well as employees of partners and subsidiaries
- ▶ Has installed loudspeaker system for Building Supervisors to signal evacuation in emergency situations and has clearly marked specified emergency exits, which ensures that are clear of obstructions
- ▶ Has appointed Evacuation Coordinators for each floor of every building and Fire Suspensions Teams, which are trained once a year
- ▶ Has designated Evacuation Officers for each floor of every building, who wear colored vests and are responsible to uphold the procedures and safety rules in case of an emergency evacuation
- ▶ Has set designated Assembly Points for its premises in Maroussi and Peania and has communicated a Meeting Point Site Plan

- ▶ Has placed clear signs with fundamental safety information
- ▶ Has installed First Aid kit, fire detectors and fire extinguishers in every building as well as fire detection and extinguish systems in areas with electronic equipment, such as computer rooms
- ▶ Has uploaded the First Aid Guide in the Induction Material section at the Corporate intranet portal, where all employees have access, and has created the First Aid and Emergency Handbook, with the necessary information to effectively respond to emergency cases
- ▶ Has equipped the infirmary – first aid office with the necessary medical and pharmaceutical equipment
- ▶ Posts Health and Safety information (such as First Aid and evacuation procedures) to the Corporate intranet portal and in announcement boards or sends them to the employees via e-mail
- ▶ Has adopted a no smoking policy within Company facilities, applicable to all employees, customers and visitors
- ▶ Does not tolerate violence or threats of violence in, or related to, the workplace and encourages employees to report any violent or potentially violent situation that may witness as well as concerns about unsafe conditions or activities that present a risk of injury to their Supervisor or the Human Resources Division. It must be noted that no concerns related to Health and Safety were reported within 2018

Monitoring Health and Safety performance

As a result of INTRALOT's continuous effort to improve its Health and Safety performance, in 2018:

- ▶ There are no employees with high incidence or risk of diseases associated with their work within the Company while there were no occupational diseases among our employees
- ▶ There were no accidents or injuries involving INTRALOT employees.
- ▶ There was no employee loss due to any reason
- ▶ There were no complaints or legal actions for health and safety issues
- ▶ There were no relevant fines or non-monetary sanctions imposed by the respective authorities



No accidents occurred within the workplace

6.5 Equality and Diversity



POLICY Equal Employment

While the Company has not adopted a specific diversity policy including gender balance, INTRALOT is committed to uphold equal employment opportunities for all employees, according to the provisions of the Code of Conduct, including hiring candidates and evaluating employees, which are solely based on their respective qualifications, skills and performance.

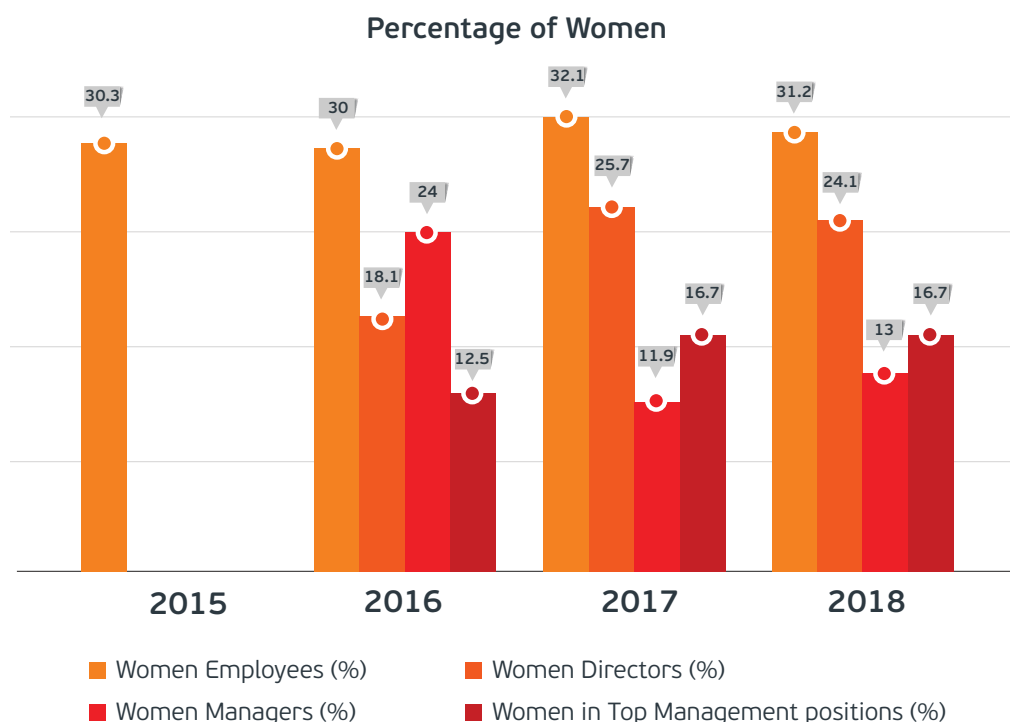
Maintaining a fair work environment

INTRALOT implements a strict policy towards meritocracy in the workplace and does not tolerate any unlawful discrimination and harassment due to gender, race, color, nationality, ancestry, citizenship, sexual orientation, religion, age, physical or mental disability, medical condition or marital status, regarding any work issues (e.g. recruitment and selection, wages, career development). Additionally, all employment contracts are terminated according to the relevant legislative provisions.

It must be noted that within 2018:

- ▶ The percentage of women within the overall workforce exceeds 31%
- ▶ The percentage of Greeks in manager and Top Management positions is 99% and 96.5% respectively
- ▶ The percentage of men employees trained is estimated to be higher by 28% compared to women employees, while the average training hours for men employees are estimated to be higher by 3 hours compared to women employees
- ▶ The proportion of salary for men employees and managers is equal to women employees and managers, as there is no salary differentiation between employees' gender
- ▶ There were no complaints or grievances regarding discrimination incidents or unfair treatment or labor practices
- ▶ There was one legal action regarding labor practices and the total value of fines imposed by the Hellenic Labour Inspectorate reached €2,500, which were fully paid, while there were no relevant non-monetary sanctions imposed by the respective authorities

 **96.5% of employees in Top Management positions are of local nationality**



 **Percentage of women employees maintained above 31%**
Percentage of women directors increased to 13%



GOOD PRACTICE

Internal Guide of Employment Policies & Procedures

Upon signing their contract, INTRALOT informs all employees about the Internal Guide of Employment Policies & Procedures, ratified by the Hellenic Ministry of Employment and Social Protection, which states their rights and obligations. All employees are requested to comply with the Guide's provisions, which is available on the Corporate intranet portal and is also notified to employees either in places accessible and visible to all employees or through printed copies to each employee individually (in this case, employees are required to sign an acknowledgement of receipt).

Ensuring meritocracy in compensation

INTRALOT has designed its compensation plan to follow market trends and ensure competitiveness of compensation packages as well as support transparency for all employees, with no discrimination per company department. At the same time, promotions and salary increases are connected with performance ratings and the Company also grants special ad hoc bonuses as part of the rewarding process for projects' participation and excellence. However, the Company's Board of Directors may consider criteria such as the individual performance of each employee, in order to grant remunerations and special payments or other benefits higher than those decided by collective agreements. In any case, all kinds of remuneration are paid accrued, in intervals that do not exceed a month.

It must be noted that:

- ▶ Approximately 14% of employees have salaries equal to the legal minimum salary, as defined by the provisions of applicable laws, Ministerial Decisions, Collective Labor Agreements and Arbitration Awards, while the remaining 86% of employees are paid above the national collective agreement
- ▶ The ratio of annual total compensation for the Company's highest-paid individual to the median of annual total compensation for all employees (excluding the highest-paid individual) is 16.4:1

6.6 Human Rights and Bargaining

Following internationally recognized Human Rights principles

INTRALOT's operations strictly follow the internationally recognized human rights principles, as expressed by the United Nations, the International Labor Organization (ILO) and the relevant legislation. Based on these principles, INTRALOT:

- ▶ Has signed the United Nations Global Compact since 2009
- ▶ Is committed not to allow child labor and forced or compulsory labor in any of its premises and fully respects human rights, as described within its Code of Conduct, without however assessing its operations for child labor and forced or compulsory labor risks within 2018
- ▶ Systematically monitors the relevant ILO's labor legislation, which includes the prohibition of child labor and forced labor as well as provisions related to human rights and working conditions
- ▶ Has established a grievance mechanism for employees to submit complaints regarding human rights and report concerns or incidents that impact or can potentially impact human rights, without however any concerns reported within 2018

As a result of INTRALOT's practices, in 2018:

- ▶ There are no operations identified as having significant risk for incidents of child labor or forced and compulsory labor
- ▶ There were no complaints or grievances regarding human rights violation
- ▶ There were no legal actions regarding human rights issues and no fines or non-monetary sanctions were imposed by the respective authorities

Respecting confidential information

Security of personal information is not only an important issue related to privacy, but also a legal and ethical obligation, which requires a series of organizational and technical mechanisms. For this reason, INTRALOT:

- ▶ Complies with the Data Protection Act's provisions throughout the entire recruitment and selection processes
- ▶ Treats all recruitment information and personal data as strictly confidential
- ▶ Has determined the types, methods and details of personal information keeping, according to the respective legal framework and the relevant legislation on personal data protection
- ▶ Keeps an electronic record of all employees' personal data in secure servers and all documents and data concerning the employee are classified and protected and are available only through personalized login procedure from authorized Company employees
- ▶ Does not share any personal information, with the exception of authorized Company Directors





As a result of its practices, INTRALOT did not receive any formal complaints within 2018 regarding privacy issues or loss of employee personal data.

Respecting labor rights

INTRALOT respects labor rights and does not restrict employees to exercise their right to freedom of association. Furthermore:

- ▶ All newly hired employees are informed about their contract's essential terms in accordance with the provisions of the Presidential Decree 156/1994, which is governed by private law and drawn up immediately upon their recruitment
- ▶ There is a formal job description for every position within INTRALOT
- ▶ Approximately 14% of employees participate in formal employee unions
- ▶ 100% of employees are covered by the National Collective Labor Agreement
- ▶ No operations in which the right to exercise freedom of association and collective bargaining may be at significant risk have been identified
- ▶ INTRALOT's employees did not participate in any strike or lock-out within 2018
- ▶ INTRALOT abides by the relevant applicable legislation regarding the minimum notice period for operational changes

2018 Objectives

			% of completion
		Organize employee awareness activities on various topics	100%
		Organize company-wide innovation event	100%
		Extend work-from-home policy to include more functions	100%
		Extend INTRALOT's Performance management system to more local entities	100%

Future Objectives

		Organize employee awareness activities on various topics (e.g. volunteerism, health and safety)	by 2019
		Organize company-wide innovation event	by 2019
		Extend INTRALOT's Performance management system to more local entities	by 2019
		Organize events to enhance employee morale and engagement	by 2019

7.0 ECONOMIC SUSTAINABILITY



7.1 Overview

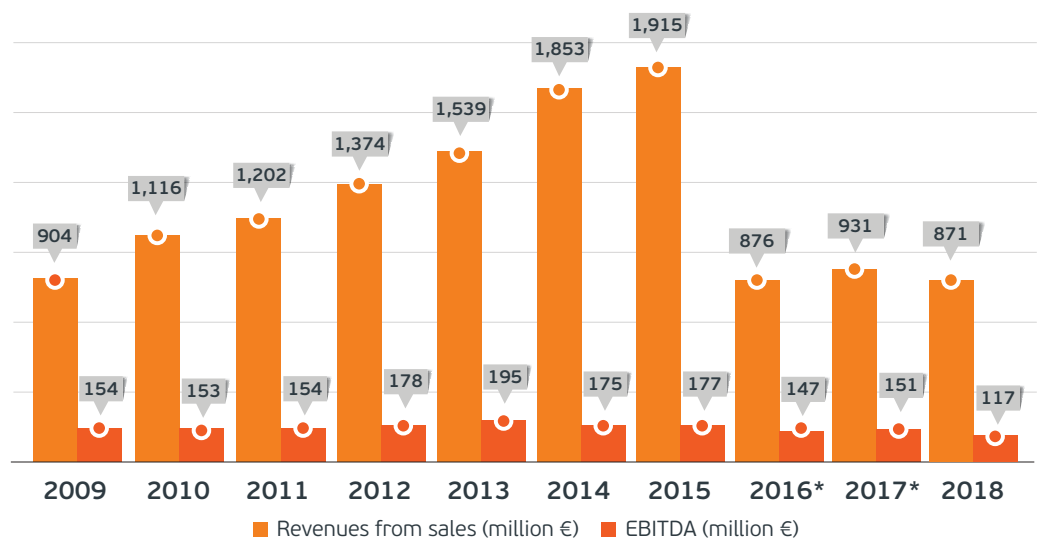
Since its founding a quarter of a century ago, the Company facilitates substantial development opportunities globally and contributes to the growth of local economies through its operations. The Group's strategy focuses on growth through local partnerships in new and existing markets and aims to expand and diversify its portfolio with complementary products and market share.

7.2 Financial Performance and Shared Value

Achieving economic development

INTRALOT Group currently owns a large portfolio of diversified contracts across geographies and business activities. Regarding the Group's financial results in 2018, revenues and EBITDA (Earnings before Interest, Tax, Depreciation and Amortization) reached €870.8 million and €116.5 million respectively, from €930.6 million and €151 million respectively in 2017, mainly due to the financial conditions in key markets and business transition impact.

Key Group Financial Highlights



**Numbers have been restated and adjusted for comparability, excluding discontinued operations in Italy, Peru, Jamaica, Santa Lucia, Slovakia, Russia and Azerbaijan pursuant to IFRS 5, following the respective mergers and acquisitions and disposal activities.*



Revenues and EBITDA decreased by 6.4% and 22.8% respectively, at Group level

The following table presents the main results for the 2015-2018 period, with additional financial information being available in the Annual Reports at www.intralot.com, while:

- ▶ No other financial assistance was received from the Government, except for subsidies related to the Company's participation in the Employee Vocational Training Program (LAEK) organized by the Manpower Employment Organization (OAED) and grants from the Partnership Agreement for the Development Framework (ESPA) 2014-2020, which amounted to approximately €56,000 in 2018
- ▶ There were no written notices by respective authorities or legal actions regarding economic activities (e.g. stock market, financial reporting) and no fines or non-monetary sanctions were imposed

Group Financial Results

	2015	2016	2017	2018
Total Assets (million €)	1,169.3	1,061.1	1,021.9	944.1
Revenues (million €)	1,915	876*	931*	871
Operating Income (EBITDA) (million €)	177	147*	151*	117
EBITDA margin on sales (%)	9.3	16.8	16.2	13.4
Profit / (loss) after tax (continuing and discontinued operations) (million €)	(20.7)	44.9	(6)	27
Operating costs (million €)**	1,860.8	826.4*	859*	835.7
Gross profit / (loss) (million €)	261.6	184.9*	200.1*	161.3
Operating Cash Flow (million €)	114	168	154	88.6
Net Capital Expenditures (million €)	69	63	73.8	103.2
Net Debt (million €)***	478	495	510.7	615.3
Net Debt/EBITDA (ratio)****	2.7x	2.8x	3.0x	5.3x
Investments (million €)*****	70.8	65.4	74.3	103.6

*Numbers have been restated and adjusted for comparability, excluding discontinued operations in Italy, Peru, Jamaica, Santa Lucia, Slovakia, Russia and Azerbaijan pursuant to IFRS 5, following the respective mergers and acquisitions and disposal activities.

**Operating costs = Cost of Sales + Operating Expenses (including depreciation expenses).

***Net Debt = Long-term Debt + Short-term Debt and current portion of Long-term Debt + Financial Leases – Cash and cash equivalents.

****Net Debt divided by EBITDA, as reported/published in the respective periods.

***** Investments = Purchases of tangible and intangible assets.



INTERNATIONAL GOOD PRACTICE

Financial Performance in Main Markets

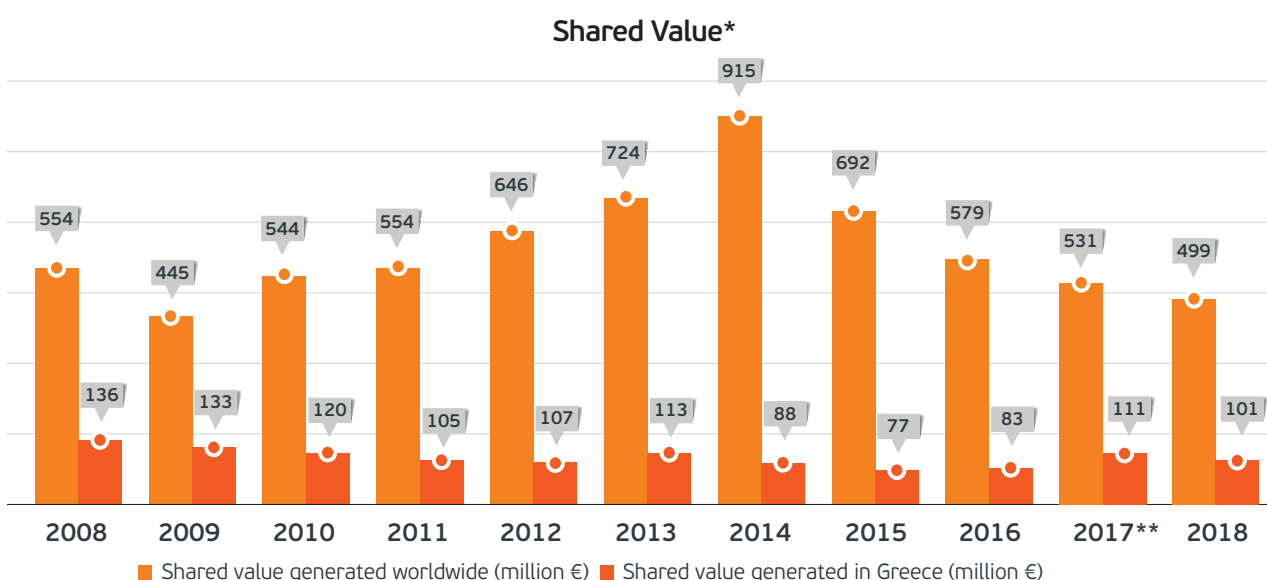
With presence in all 5 continents, the Group's contracts extend both in advanced and mature gaming markets as well as in developing markets and newly developed gaming markets with significant growth potential.

Regarding the financial performance in main markets within 2018:

- ▶ In the United States of America, revenues decreased by 7.9% in Euro terms, mainly due to the lottery terminals sale in the end of 2017, the South Carolina contract expiration and the adverse local currency movement against the Euro. However, in local currency base and excluding terminal sales in both years, INTRALOT Inc. revenues increased by 6.8%, due to the higher sales of numerical games, the 2018 record-breaking jackpot, the improved contract terms and the higher income from other services
- ▶ In Greece, revenues decreased by 24.7% due to the transition to the new OPAP contract with a more limited scope and a smaller value in the field of numerical games as well as the last year's one-off fee related to the Hellenic Lotteries project.
- ▶ In Argentina, revenues decreased by 35.4% as the result of the country's macroeconomic environment and the application of the hyper-inflationary economy reporting standard, which led to Euro appreciation over the previous year and affected the financial results
- ▶ In Oceania, lower revenues by 20.2% were the result of the adverse local currency movement against the Euro as well as a software license right sale in mid 2017
- ▶ In Turkey, revenues decreased by 17.7%, mainly due to the local currency devaluation against the Euro, although revenues increased by 14% in local currency terms, as the result of the growth of the sport betting market and the shift towards online sports betting
- ▶ In Morocco, revenues increased by 21.8% due to the higher sports betting sales, which attributed to the enhanced product offering
- ▶ In Bulgaria, revenues increased by 4.4% as the result of the growth in virtual sports, racing and sports betting, being partially fueled by the increasing payout
- ▶ In Malta, revenues increased by 4.4% due to the introduction of the SuperStar lottery game and the higher sports betting sales

Sharing Value

INTRALOT Group generated €499 million of shared value for its Stakeholders in 2018, slightly decreased from €531 million in 2017. At INTRALOT level, the Company generated €80 million of shared value in 2018 in Greece.



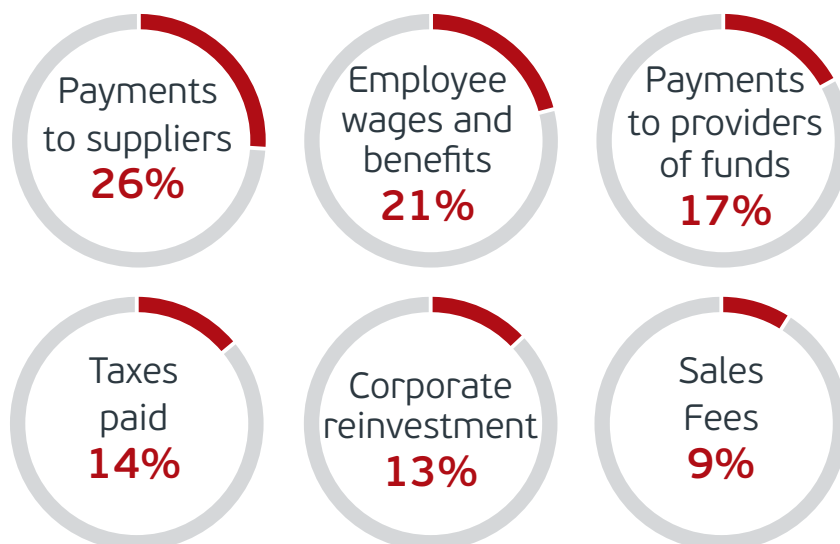
*Shared value worldwide and in Greece does not include any of the Group's associate companies (e.g. Hellenic Lotteries in Greece, Gamenet in Italy).

**Numbers have been restated and adjusted for comparability, excluding discontinued operations in Italy, Peru, Jamaica, Santa Lucia, Slovakia, Russia and Azerbaijan pursuant to IFRS 5, following the respective mergers and acquisitions and disposal activities.



The Group generated over **€6.6 billion** shared value in the last 11 years, with over **€1.1 billion** being in Greece

Group Shared Value Breakdown



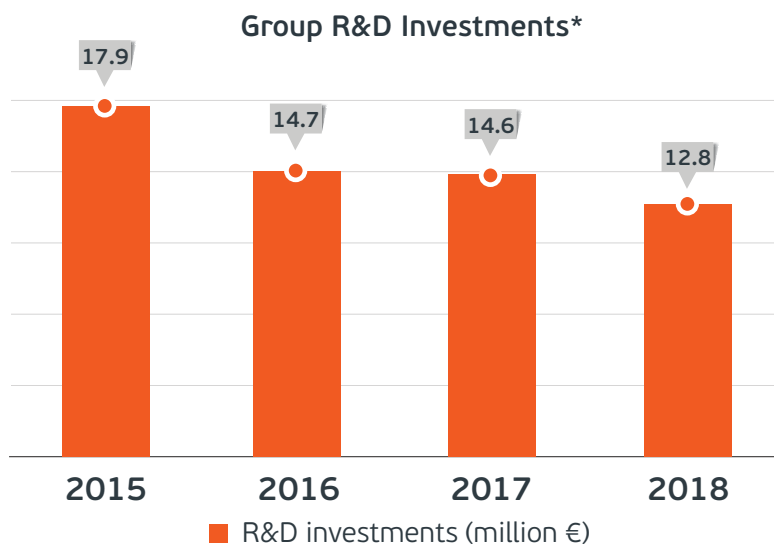
7.3 Innovation and Research

Promoting Research and Innovation

Research and innovation are strategically important issues for INTRALOT, as they allow the Company to:

- ▶ Launch innovative products
- ▶ Implement new design and new technology functionalities
- ▶ Promote knowledge and know-how sharing among its employees
- ▶ Support the development of human capital

Through INTRALOT's continuous investments in Research and Development (R&D), the Company focuses to achieve significant technological competencies related to People, Processes and R&D tools, in order to enhance quality, performance and flexibility, while decrease development, maintenance and deployment costs. Apart from in-house R&D, INTRALOT has Development Centers in the United States of America, Greece, Bulgaria and Malta and cooperates with leading educational institutions and technology vendors. Overall, INTRALOT Group spent €12.8 million in R&D in 2018, compared to €14.6 million in 2017.



**Group R&D investments for 2016-2018 refer to a continuing operations basis.*



Over €12 million were invested for research and development, at Group Level

Furthermore, the Company held 251 patents and designs in gaming technology worldwide, compared to 169 patents worldwide in 2017, with 57 additional patents at various stages of approval, with an emphasis to leverage trends in mobile technology, multiple gaming channels, the internet of things (IoT), cloud computing and HTML5, which converge towards an 'anytime, anywhere' environment. The Company's most recent patents include methods and systems related to:

- ▶ Interpret at least one user mark on a lottery playslip through a camera image capturing algorithm
- ▶ Detect fraud in betting and lottery games
- ▶ Dispense of instant lottery tickets
- ▶ Conduct lottery games with portable devices
- ▶ Ticket security protocols
- ▶ Conduct a multi-stage game of chance
- ▶ Design of new games and terminals



GOOD PRACTICE R&D Investment Ranking

For the twelfth consecutive year, INTRALOT was ranked amongst the top investing organizations of the 2018 European Union Industrial Research & Development Investment Scoreboard, which is annually published by the European Commission's Joint Research Centre (JRC). As a result of its commitment to promote research and innovation, INTRALOT:

- ▶ Was ranked 778th in the list with the 1,000 European top R&D investors and 39th at the 'Technology Hardware & Equipment' sector list
- ▶ Was one of the only three companies from Greece to be included in the 2018 Scoreboard and the only one in the 'Technology Hardware & Equipment' sector

Forming research partnerships

Besides producing in-house research, INTRALOT has formed collaboration partnerships and agreements with independent research centers, organizations and leading institutions, which include the following main research partnerships:



Partnership with Corallia Gaming Cluster

Since 2010, INTRALOT is a leading partner in the Corallia Gaming Cluster, a non-profit organization to facilitate innovation, which has established the gi-Cluster (www.gi-cluster.gr) to create a leading and functional business innovation ecosystem, introduce innovative technological solutions (including pioneering gaming content and new gaming technologies) and advance scientific knowledge.



AIT
CENTER
OF EXCELLENCE
FOR RESEARCH
AND EDUCATION

Perceptum ex Optimus

Partnership with the Athens Information Technology

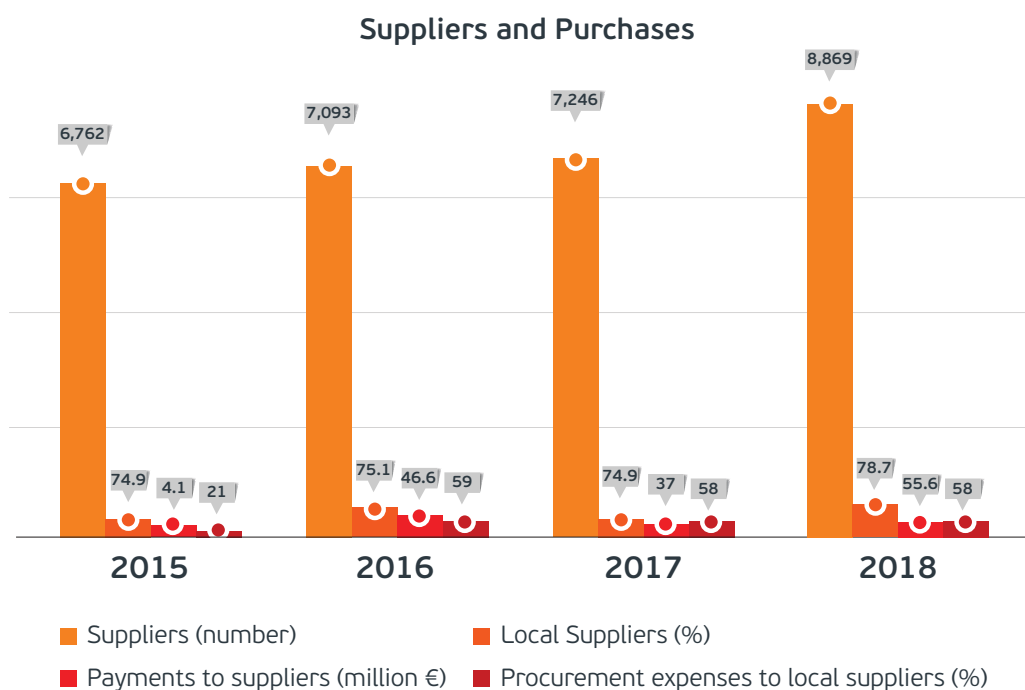
INTRALOT has a partnership with the Athens Information Technology (AIT), a non-profit Center for Research and Education in Information Technology, Telecommunications and Innovation Management, which focuses on the following main projects:

- ▶ Collaborate in story storytelling, visual design and development of a 2D interactive educational game on ISMS scenarios
- ▶ Design and implement an Addiction Detection Engine (ADE) with three major modules:
 - ▼ A game-evaluation module, which allows game designers to evaluate whether a proposed game-design has high risk of being addictive or not
 - ▼ A player addiction detection module, which constantly monitors player's historical behavior
 - ▼ A self-awareness feedback module, which includes an appropriate self-evaluation questionnaire
- ▶ Define and implement a gaming ecosystem for new game development and game playing
- ▶ Develop novel image and video processing technologies previously designed by AIT for INTRALOT

7.4 Responsible Procurement

Supporting suppliers

INTRALOT has 8,869 suppliers in 6 main categories, with approximately 78.7% of them being local suppliers. Despite the globalization of procurement, the Company continues to purchase a considerable amount of products and services from local suppliers and its priority is to work with local suppliers, where possible. Payments to suppliers amounted to €55.6 million in 2018, with the percentage of procurement expenses allocated to local suppliers reaching 58%.



Percentage of procurement expenses allocated to **local suppliers reached 58%**

At the same time, INTRALOT aims to keep its contractual obligations regarding payments to suppliers. Indicatively, in 2018:

- ▶ The average supplier payment time was time was between 30 to 60 days, as in 2017
- ▶ The percentage of payments made according to the terms and provisions of the signed contracts was between 95% to 98%, as in 2017

Selecting suppliers responsibly



POLICY Purchase Agreements with Suppliers

According to the provisions of the Code of Conduct, all purchase agreements have to be sufficiently documented and clearly state the services or products to be provided, the unit price, the method and terms of payment as well as the applicable rate or fee, while the amount of payment has to be commensurate with the products or services provided.

INTRALOT establishes collaborations with its suppliers within the context of its values and principles, relevant legislation and international codes and standards. As an ISO 9001 certified company, INTRALOT business processes follow standardized procedures throughout the entire product chain, which include:

- ▶ A written procurement policy with step-by-step procedures, supplier requisites and documentation, in order to ensure fairness and compliance with quality assurance standards
- ▶ A Quality Management System (QMS) to ensure consistency with quality standards, maintain regular contact with suppliers, exchange feedback and improve products or services
- ▶ Annually audited procurement processes to ensure that the Company selects most qualified vendors and service providers for all materials and services
- ▶ A non-discrimination policy during the procurement process, regardless of race, color, gender, sexual orientation, religion, disability, age, ancestry and national or ethnic origin, as supplier selection depends solely on financial and technical evaluation, according to INTRALOT's Procurement Policy



POLICY

Global Procurement Policy

Within 2018, INTRALOT developed its Global Procurement Policy as a mandatory purchasing framework for all Group purchasing activities worldwide, which states that local subsidiaries:

- ▶ Are encouraged to establish a Purchasing Committee to better manage all purchases
- ▶ Are required to follow the described procedure for all expenses, purchases and procurement of supplies (e.g. equipment, assets, consumables, materials, marketing, maintenance and repairs), except for urgent purchases, for which any lack or delay is extremely dangerous for the normal business continuity and generally do not exceed 1% of the total annual procurement expenses
- ▶ Send the purchase request with a detailed description to at least three potential suppliers
- ▶ Use specific criteria and weighting (e.g. quality attributes, guarantee, after sales service, response time, total cost), which depend on the purchase's nature to conduct the technical and financial evaluation of all submitted purchase offers
- ▶ Sign a written contract for every long-term, significant and continuous supplier engagement with specific contractual terms as well as mandatory compliance with applicable registration, local laws and INTRALOT policies
- ▶ Re-evaluate every long-term and continuous supplier engagement at least annually

In all cases:

- ▶ Employees involved in the procurement process are required to report to the Group Procurement & Logistics Director or the Chief Internal Auditor of all purchase orders to suppliers that employ any family member or when they or other family members have a financial or other interest to these suppliers, before placing an order
- ▶ Employees are not allowed to accept directly or indirectly personal gifts or any form of entertainment from any supplier, at any time
- ▶ All employees are requested to comply with the Policy' provisions, as any violation will lead to disciplinary actions (e.g. termination of employment)
- ▶ Any employee who believes that he/she has or may have violated the Policy is required to disclose the actual or potential violation to his/her supervisor, who will consult with the Group Procurement Director and the Chief Internal Auditor to review and address the issue
- ▶ Any employee who suspects that another employee or supplier has violated the Policy is required to promptly report the concern to the Group Procurement Director and the Chief Internal Auditor, who will promptly and appropriately investigate the concern, while maintaining the employee's confidentiality



Monitoring suppliers

INTRALOT regularly monitors its suppliers' performance through quality control assessments by senior quality engineers on a financial and technical basis per order. The Company annually monitors subcontractors or following certain changes since the previous evaluation, such as delivery of new products or introduction of a new Quality Plan. In any case, subcontractor's evaluation is based on certain features, including the existence of its own certified Quality Management System and compatibility of its own Quality Plan with INTRALOT's.



GOOD PRACTICE Monitoring Supplier Performance

INTRALOT has established a procedure to monitor performance of equipment and services suppliers, according to which the Global IT Professional Services Department utilizes up-to-date input from the Group Procurement & Logistics Department on the contractual agreement with each supplier, in order to ensure that the suppliers' offerings and services are in accordance with their contractual commitments. During the review, the following issues are examined:

- ▶ Quality of deliverables
- ▶ Infrastructure deployment according to the project plan
- ▶ Testing
- ▶ System performance
- ▶ Incidents recorded by the Global Service Desk

Since the Company's establishment, a supplier financial and technical assessment is conducted by INTRALOT for all suppliers, except certain procurement categories, such as legal expenses, hospitality expenses, rental services, transportation expenses (taxis) and seminars, which evaluates their performance on the following main criteria:

CRITERIA



**Financial
cost**



**Quality
specifications**



**Time to
delivery**

In order to enhance informed decision making, INTRALOT follows a due diligence process on suppliers' financial data, except for suppliers without constant cooperation without at the moment any separate process to identify suppliers with actual or potential negative environmental, labor practices and human rights impacts or impacts on society.

Future Objectives



Finalize the KYC process
(Know-Your-Customer)
for 146 major suppliers

by
2019



8.0 SOCIETAL SUPPORT



8.1 Overview

The gaming industry is a highly regulated sector and governments allocate revenues from gaming operations to support various social causes in several jurisdictions worldwide. An indicative example of that support is lotteries, which are mainly public-private partnerships as most state lotteries nowadays are privately managed within the context of public interest.

DID YOU KNOW? Society Support

According to data from the European Lotteries Association (European Lotteries - EL), the umbrella organization of national lotteries operating games of chance for the public benefit, the 70 regular and affiliate EL members in Europe within 2017:

- ▶ Returned approximately €23.3 billion back to society, about the same as in 2016.
- ▶ Gave back to society 62.8% of their Gross Gaming revenues on average (not including sponsorships) for sports, funds for other good causes and taxes.
- ▶ Employed directly over 48,000 full-time employees, including the approximately 19,600 people employed by the Organización Nacional de Ciegos Españoles (ONCE) in Spain, who are persons with disabilities selling lottery tickets and are considered as full-time employees.
- ▶ Have created over 430,000 indirect work positions, typically in the sectors selling lottery products.

Source: EL Report on the Lottery Sector in Europe 2017

A key element of INTRALOT's approach to society is to understand the expectations and effectively contribute to the needs of local community members. The Company seeks to align its economic growth with support to society and strives to implement programs to create value to different groups and accelerate social growth and prosperity.

While environmental protection is a particularly important aspect for most industries, the gaming industry can be considered as of relatively low impact to the environment. However, as INTRALOT takes very seriously its environmental performance into consideration, the Company:

- ▶ Has established an Environmental Management System (EMS), fully compliant with ISO 14001:2015 requirements as well as an Environmental Legislation Monitoring Procedure to ensure compliance with applicable environmental national and international laws and regulations
- ▶ Has adopted eco-friendly processes to minimize the potential environmental impact of its operations and conserve energy and natural resources, which address environmental issues throughout its products and services' life cycle
- ▶ Takes into consideration regular environmental impact assessments

It must be noted that within 2018:

- ▶ There were no incidents with environmental impacts on local communities
- ▶ There were no written notices regarding environmental issues by respective authorities
- ▶ There were no complaints about environmental impacts filed through formal grievance mechanisms, no prosecutions or legal actions for environmental issues and no fines or non-monetary sanctions for non-compliance with environmental laws and regulations were imposed by the respective authorities

At INTRALOT



We Care a Lot

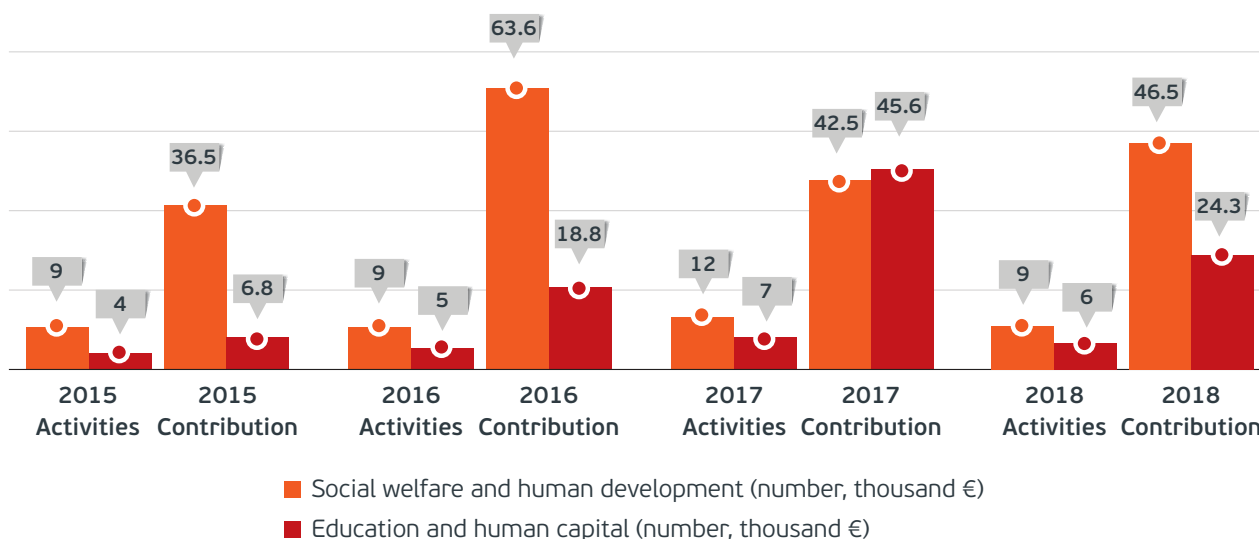
8.2 Society Support

Contributing to Society

INTRALOT is committed to support the communities where it operates, as they provide the resources, infrastructure and markets for its businesses operations. Therefore, the Company has launched the targeted social support program 'INTRALOT – We Care a Lot', which included 15 activities in 2018, with a total investment of over €70,800 in two main areas:

- ▶ Advance education and human capital
- ▶ Support social welfare and human development

INTRALOT - We Care a Lot





15 activities were supported through social support program, with **€70,800 invested**

Advancing education and human capital:

Education and human capital constitutes an important priority and INTRALOT supported various activities in 2018, which include:

- ▶ Support to the United States' Educational Foundation Fulbright, to issue grants for Greek and American students
- ▶ Sponsor to the Athens Information Technology's conference 'IEEE Signal Processing Advances in Wireless Communications'
- ▶ Sponsoring the University of Hohenheim's Gambling Research Center to promote research on gambling
- ▶ Gold Sponsor to the American-Hellenic Chamber of Commerce's US Pavilion Events with the theme 'Harnessing the Power of Innovation and Creativity' during the Thessaloniki International Fair 2018
- ▶ Sponsor to the 'Arsakeios Race' event, an open 5km run for elementary students and their parents
- ▶ Sponsor to the Institute of Internal Auditors Greece's annual conference 'Wings to Fly'
- ▶ Sponsor to the annual Capital Link's 'Invest in Greece' Forum
- ▶ Sponsor to the Florida International Trade and Cultural Expo's (FITCE) conference 'New Era technology innovation in ICT'
- ▶ Sponsorship to the Embassy of Malta for a ceremony to celebrate Valletta's nomination towards the title of the European Capital of Culture for 2018



GOOD PRACTICE Supporting Young People and Youth Entrepreneurship

During 2018, INTRALOT participated and implemented various activities to support young people and promote entrepreneurship, as the Company:

- ▶ Sponsored the Java Hellenic User Group's Meetup, whose members include Java enthusiasts and professionals and contribute Java-related material and tutorials
- ▶ Organized a Business Day study visit and seminar at the Company's premises, as a follow-up to the 3-day 'Panorama of Entrepreneurship and Career Development' initiative, organized by the Athens University of Business and Economics, and informed 64 university students and graduates about the Company's products and services, the ways to identify and apply for the right job according to their skills and competencies as well as the principles of Responsible Gaming
- ▶ Provided 13 internships to university students to acquire professional experience and develop their skills
- ▶ Participated in the ReGeneration program, which combines paid internship and extensive training and mentoring to reduce youth unemployment and advance participants' personal and professional development
- ▶ Sponsored the Coding Hive and College Link coding schools, where experienced professionals teach and train IT graduates students and junior developers on Java and web development
- ▶ Participated in the Career Fair4all to promote inclusion of people with disabilities in the labor market through interviews, discussions and personal networking



Supporting social welfare and human development:

INTRALOT's initiatives focus on supporting underprivileged groups, in collaboration with various NGOs and institutions, with indicative examples in 2018 being:

- ▶ Donation of basic necessities to the Nikaia Diocese of the Orthodox Church of Greece during Easter and Christmas seasons, for the last twelve years
- ▶ Support of the organization 'Make-A-Wish Greece' to organize its annual banquet 'Wish upon a star'
- ▶ Humanitarian aid to the people affected by the devastating fires in Eastern Attica in collaboration with the Greek Red Cross
- ▶ Support to the organizations 'Rehabilitation for The Disabled' (ELEPAP) and 'Together for Children' through OPAP's charity gala



GOOD PRACTICE

Supporting Underprivileged Groups and Children

Recognizing that internal engagement is a key parameter to help people in need and improve their quality of life, during 2018 INTRALOT:

- ▶ Organized the 'Little Santa Claus' initiative on the occasion of the Christmas celebration for all employees' children, during which children donated used toys and books as well as food supplies, to support children from the 'SOS Children's Villages Greece', a non-profit organization which provides a new and permanent home, education, guidance and support to abandoned, orphaned and destitute children, with approximately 250 bags of toys and food supplies collected and offered to the organization
- ▶ Hosted a bazaar for its employees to buy Easter candles and other related presents, in order to support the non-profit organization 'The Smile of the Child', which has supported approximately 1.5 million children victims of violence, children with health problems, missing children or children living in poverty and their families in the last 23 years



INTERNATIONAL GOOD PRACTICE

Society Support

During 2018, our subsidiaries supported the local community through activities that contribute to the improvement of residents' daily life, which included:

Brazil:

- ▶ Launch of the Cuidar Network (Rede Cuidar) to improve services, programs, projects and social assistance benefits offered by private entities and provide better quality of life for children, adolescents, people with disabilities, elderly people and other vulnerable social groups
- ▶ Sponsorship of the Online Gaming Summit Brazil 2018, where industry providers, operators, regulators, key politicians and authorities discussed current and future needs of the country's online gambling and sports betting regulation
- ▶ Support to the Juiz de Fora Reference Center for Human Rights, which promotes equal access and social participation of vulnerable and underprivileged social groups
- ▶ Participation in a project to ensure social inclusion of deaf and hearing impaired people through dedicated centers, which offer translation services and interpretation of sign language as well as accompaniment of hearing impaired people in public places (e.g. hospitals, courts)
- ▶ Participation in a project to support people affected by migratory flows as well as trafficking and slave labor (e.g. child labor) victims
- ▶ Participation in a project to raise awareness and training on human rights issues, in order to promote respective public policies, especially for women, young people, black people with disabilities, children and adolescents, people living on the streets and other vulnerable social groups



Bulgaria:

- ▶ Support for the 4th consecutive year of the activities organized by the NGO 'Autism Today' and the 'Step for the invisible children of Bulgaria' Foundation on the occasion of the World Autism Day and the world movement 'Autism Speaks – Light in Blue', which included an art workshop, participation to a discussion forum and free consultation and meetings with parents and their children in specialized centers
- ▶ Sponsorship for the 11th consecutive year of the 'Askeer Awards 2018' organized by the Academy Askeer Foundation



- ▶ Support of the Bulgarian Olympic Committee, the National Football Federation, the Levski Football Club and the CSKA 1948 Football Club as well as various other sports
- ▶ Donations to the Municipality of Sofia to implement the green campaign 'Sofia without garbage' as well as to a primary school in Etropole to acquire software for personal computers and improve the level of education



Malta:

Regarding the financial performance in main markets within 2018:

- ▶ Contribution to the Responsible Gaming Foundation to fund research and development of preventive measures in education, provide support and technologies to enhance and improve Responsible Gaming as well as implement gaming addiction support programs
- ▶ Contribution to the Maltese Government's Good Causes Fund for social initiatives in various sectors (e.g. health, sports), with over €8,000,000 contributed since 2004
- ▶ Support of the ALS Malta's 'Move & Walk - #WalkWithBjorn' marathon and a relevant Fitness Session, through public donations in certain Points of Sale on the occasion of the 'Beat it' May ALS Awareness Month to support patients with amyotrophic lateral sclerosis (ALS) all over the country
- ▶ Support of Puttinu Cares in response to the volunteers (including one Maltco Lotteries retail agent) who contributed to assemble the world's largest Disney puzzle, which was offered and displayed in Mater Dei Hospital's Children's Ward
- ▶ Contribution to the annual President's Solidarity Fun Run and support of the 'Mozart at Midnight' fund raising event for the Malta Community Chest Fund Foundation, which provides financial, material and professional support to people experiencing difficulties because of severe chronic illness, such as cancer
- ▶ Support of the 2018 SportMalta's National Sports Awards winners to strengthen and support local athletes
- ▶ Support of the 15th edition of the 'Lions Zone Malta Walled Cities' conference to diffuse knowledge for Maltese walled cities to better preserve their walls and promote Malta to foreign visitors
- ▶ Sponsorship of ISACA's Cybersecurity Conference 2018 titled 'Cybersecurity: Securing our Future' in Malta, which focused on local and international cybersecurity trends, risks and challenges



INTERNATIONAL GOOD PRACTICE Sports Talents Program

In Bulgaria, Eurofootball implemented its Sports Talents Program for the 7th consecutive year, in partnership with the Workshop for Civil Initiatives Foundation (WCIF). The program supports individual athletes (including disabled athletes) in over 70 different sports, who are selected by a group of well-known athletes, coaches and media representatives and provides the necessary financial support to participate in competitions as well as for training, purchase of equipment and recovery. Since its launch, the program has supported approximately 160 athletes, including 30 athletes from 14 different sports in 2018.



Ensuring responsible donations and sponsorships

INTRALOT aims to ensure that donations and sponsorships are responsibly utilized and therefore:

- ▶ Does not perform donations or sponsorships to win a business deal or transaction
- ▶ Makes contributions exclusively to charitable organizations instead of individuals
- ▶ Supports organizations and charities registered under local laws
- ▶ Performs background checks on the charity as well as the charity officials and managers
- ▶ Seeks to define the donations' purpose and beneficiaries
- ▶ Consults with the Group Corporate Responsibility department prior to proceed with any contribution
- ▶ Monitors contributions with relevant performance indicators

Encouraging volunteerism

INTRALOT seeks to leverage corporate skills and resources and cultivates volunteerism through various activities, as described below:

INTRALOT Runners

Within 2018, INTRALOT participated with 60 runners to the 36th Athens Marathon, the Authentic, with over 55,000 participating athletes from 105 countries. For the seventh consecutive year, 'INTRALOT Runners' ran the 5km, 10km and 42km races of the Marathon to support the NGO 'Greek Society for the Protection of Autistic People' (E.E.P.A.A.).

Support 'Together for Children'

In order to further contribute to society needs, the Company has placed specially marked collection bins in eating areas of Maroussi and Peania premises, where employees can place used items, such as clothes, shoes, books and toys and donate them to support the organization 'Together for Children', which helps children in need.



Blood Donation

In order to further contribute to society, INTRALOT implemented one blood donation program within 2018, in cooperation with the Athens Children's Hospital 'Aghia Sofia', where INTRALOT has established a blood bank. As a result, the Company gathered 62 blood units, to support needs of employees and their families as well as needs of society in general.



62 blood units were gathered, through employees' **voluntary blood donation** program



Caring for the impact of operations

Local communities constitute an important Stakeholder of INTRALOT, as they are directly related with the Company and its activities. Therefore, the Company aims to remain aware of its operations' effects and identify their impacts on local communities. To this day, the Company has not identified any operations with significant actual or potential negative impacts on local communities.

It must be noted that within 2018:

- ▶ Approximately 75% of INTRALOT's premises are accessible by people with disabilities
- ▶ There were no significant investment agreements and contracts with clauses on human rights
- ▶ There were no significant investments on infrastructure to provide a public service or good rather than for commercial purpose (e.g. roads, schools, power lines and water supply facilities)
- ▶ There were no accidents with significant impact on the local communities
- ▶ There were no complaints about impacts on society filed through formal grievance mechanisms and no fines or non-monetary sanctions for non-compliance with relevant laws and regulations were imposed by the respective authorities

8.3 Materials and Waste



POLICY Environmental Policy

According to the provisions of the Code of Conduct, INTRALOT is committed to minimize its environmental impact and strives to conserve resources and reduce waste and emissions through recycling and various energy conservation measures. For this reason, the Company has established an Environmental Management System (EMS), fully compliant with the requirements of ISO 14001:2015, which is continuously improved in accordance with INTRALOT Group strategic objectives, with the following key points:

- ▶ Utilize technology to establish environmentally friendlier and efficient operations
- ▶ Address incidents or conditions that threaten health, safety or the environment
- ▶ Meet or exceed the environmental legislation related to its operations and processes
- ▶ Minimize emissions through appropriate selection and use of vehicle fleet and employee travel methods
- ▶ Actively promote recycling internally
- ▶ Set and evaluate achievable environmental performance goals
- ▶ Use materials and technologies that comply with environmental standards and recycle old equipment in an environmentally responsible way



GOOD PRACTICE Environmental Management System

According to a formal corporate procedure, INTRALOT systematically identifies and evaluates the environmental impact of its activities, structured around 4 steps:

- ▶ Identify the environmental aspects which INTRALOT can control or influence, through:
 - ▼ Formal risk assessments
 - ▼ Materiality Analysis, as part of the annual Corporate Responsibility Report
 - ▼ Review of environmental legislation
 - ▼ Compliance obligations and agreements with interested parties
 - ▼ Corporate business decisions
- ▶ Determine which environmental aspects have significant impacts
- ▶ Determine and take measures for the significant environmental aspects
- ▶ Update the identification and evaluation of environmental aspects

The assessment results to an environmental aspect overall priority assignment, which combines the outcome of the following criteria:

- ▶ The level of environmental impact severity, using a 1-5 impact scale
- ▶ The likelihood of its occurrence, using a 1-5 likelihood scale

Reducing materials

Since materials consumption at INTRALOT is a direct result of its operational needs (i.e. paper, toners), the Company:

- ▶ Uses central printers to scan and electronically disseminate copies, in order to reduce paper and toner consumption for printed documents
- ▶ Monitors and controls printing volume through centralized MPS printers, where employees use their access cards to print any documents
- ▶ Has replaced plastic cups with glass cups in water coolers, which prevents approximately 360,000 plastic cups being disposed each year

Material Consumption

	2015	2016	2017	2018
Paper (kgs)	10,425	6,800	6,730	6,875
Toners (units)	419	239	296	161



Toners consumption reduced by 45.6%

It must be noted that manufacturing of gaming terminals complies with the Restriction of Hazardous Substances (RoHS) Directive 2002/95/EC, which limits or bans specific substances in new electronic and electric equipment (e.g. lead, cadmium, PBB, mercury, hexavalent chromium, PBDE flame retardants). At the same time, INTRALOT requires from suppliers located in Europe to comply with the RoHS Directive as well as the Waste Electrical and Electronic Equipment (WEEE) Directive 2002/96/EC.



GOOD PRACTICE Designing eco-friendlier Products

As a result of the use of 3D design techniques and simulation software to design environmentally friendlier products, INTRALOT:

- ▶ Integrates NFC technologies (and generally cashless payment services) in vending machines
- ▶ Promotes the use of digital solutions and develops products that allow paperless game participation (with no coupons or tickets needed), in order to reduce paper consumption
- ▶ Has introduced the LOTOS™ Horizon multimedia platform to deliver information to digital signage displays inside retailer shops and players can access constantly updated information, with no need to print anything
- ▶ Develops terminals with cameras to replace page scanners and has designed 40% of its gaming terminals fan-less, which reduces materials and parts required
- ▶ Has introduced ARM technology processors in all retailer terminals, which combine high computing power and low energy consumption, and uses techniques to balance the computing power required for demanding applications and retain the terminals' low energy footprint
- ▶ Uses category 6 external power packs in all terminals (the latest efficiency standard) to ensure the lowest energy footprint during operation and stand-by mode
- ▶ Has fully replaced conventional CCFL (cold-cathode fluorescent lamp) technology monitors with LED monitors, which use 30%-50% less energy than conventional monitors and do not contain mercury, halogen or lead
- ▶ Uses plastic and metals that can be recycled in its terminals and the majority of electronic components
- ▶ Uses recycled paper for the packaging carton boxes of its terminals and all packaging material is durable and reusable

Recycling materials

In order to further reduce its environmental footprint, INTRALOT follows the relevant legislative framework concerning waste disposal and does not directly send any waste to landfills. Instead, all waste is systematically collected and sent to a licensed recycling partner, who transports waste and handles waste disposal in an appropriate and environmentally friendlier manner. At the moment, INTRALOT does not use recycled or FSC certified paper or any other recycled materials.

Hazardous waste associated with the Company's operation and sent for recycling mainly includes waste refrigerants, lubricant oils and filters from the use of generators, while it must be noted that the Company is responsible to remove hazardous waste included in hardware produced or traded by INTRALOT according to environmental procedures in cases of leased equipment that is removed after the expiration of the agreement.

Recycling bins

In order to collect and convert waste materials into reusable objects, INTRALOT has placed recycling bins, which include:

- ▶ Green recycling bins for paper on each floor and has assigned specialized employees to handle collected paper and regularly sent it to a partner recycling company
- ▶ Blue recycling bins for aluminum cans on each floor
- ▶ Clear recycling bin for batteries at the main entrance
- ▶ Specially marked bins in the kitchen areas of Maroussi and Peania premises for recyclable materials such as plastic, metal and glass packaging

Electronic equipment

The Company re-uses telecommunication devices and IT equipment (such as personal computers and mobile phones) if they are in working condition and re-assigns them to another user. In case they cannot be re-used, the Company stores certain components as spare parts (such as memory discs, batteries and hard discs) and forwards the remaining materials for recycling.

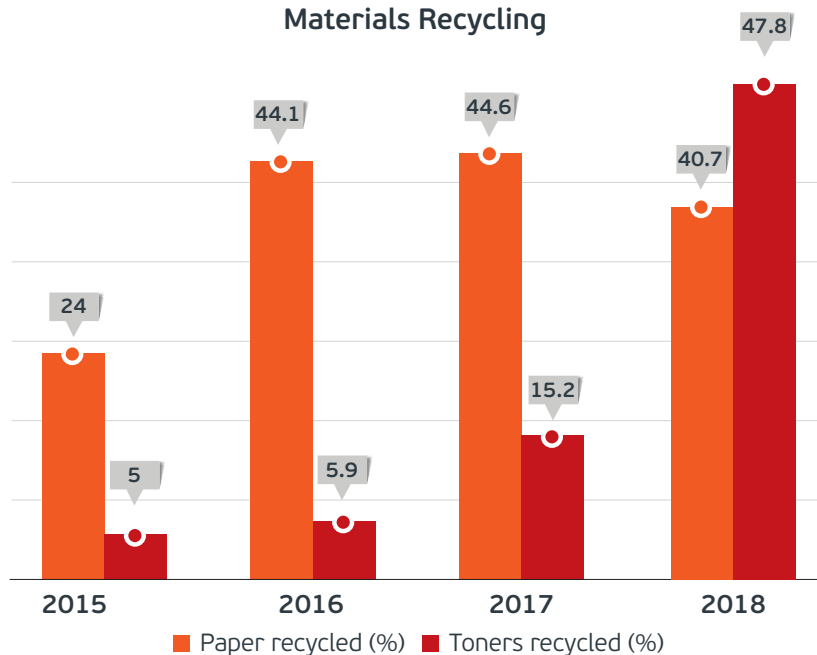
Materials Recycling

	2015	2016	2017	2018
Operational needs				
Paper (tn)	2.5	3	3	2.8
Toners (units)	21*	14	45	77
Batteries (kg)	63	34	14	91
Electrical and electronic equipment (WEEE) (kg)	NR	12,810	NR	NR
Packaging materials				
Cardboard / paper (kg)	2,750	3,000	3,000	2,800
Cardboard packaging for liquids (kg)	1	0	0	0
Plastic (kg)	0	1	1	0.1
Wood (kg)	3,200	3,000	3,000	3,000
Packaging pieces (units)	19,000	19,000	19,000	19,000
Hazardous materials				
Refrigerants from generators (kg)	NR	NR	NR	122
Lubricant oils from generators (kg)	NR	NR	NR	76
Filters from generators (kg)	NR	NR	NR	18

*Toners from centralized printers (MPS) for June-December 2015.

NR = Not reported

Materials Recycling



Toners recycled increased to 47.8%



GOOD PRACTICE

Memberships to Organizations

INTRALOT is a member of the Hellenic Recovery Recycling Corporation (HE.R.R.Co.) and has been listed in the organization's registry of companies that have recycled materials in 2018. Furthermore, in compliance with Law 2939/2001 and Presidential Decree 117/2004, INTRALOT is also a member of Appliances Recycling S.A., the official organization that organizes, operates and controls the collective system for the Alternative Management of the Waste of Electrical and Electronic Alternative Equipment (WEEE) in Greece.

Monitoring water consumption

Water scarcity is highlighted as an extremely important environmental aspect, as water needs and demand have been intensified during the last years. Being aware of its relative scarcity, INTRALOT strives to reduce water consumption, where feasible, and the Company:

- ▶ Monitors water consumption in its premises in Maroussi and Peania
- ▶ Water supply is performed exclusively through the public water supply network and water utility companies; therefore, no other water sources are affected
- ▶ All liquid waste is directed to the public waste network
- ▶ Does not use hazardous cleaning materials
- ▶ At the moment, does not recycle or reuse water for its operations
- ▶ Has implemented control mechanisms to respond to potential water supply failures and water leakages
- ▶ There were no planned or unplanned water discharges and no significant spills of chemicals or fuels or any other material

Water Consumption

	2015	2016	2017	2018
Water consumption (m ³)	4,816	9,676*	10,474*	8,628*

**The increased water consumption for 2016-2018 can be attributed to the volume required to fill the cooling towers for the air conditioning system in INTRALOT's building in Maroussi, due to water leakages noticed.*



Water consumption reduced by 17.6%

8.4 Energy and Emissions

Analyzing energy impact

Although INTRALOT's operations are not energy intensive, the Company consciously seeks to reduce energy consumption, which is linked to global climate change. The main sources of energy consumption in its facilities are electricity (purchased from private energy providers) and heating petrol.

Energy Consumption*

	2015	2016	2017	2018
Diesel for vehicle fleet (lt)	NR	NR	48,932	53,263
Gasoline for vehicle fleet (lt)	NR	NR	33,417	23,597
Heating petrol (lt)	65,000	60,000	88,456	81,453
Electricity (KWh)	2,101,838	3,408,380	3,281,880	2,775,643

**Data refer to all buildings of INTRALOT S.A.
NR = Not reported*



Electricity consumption reduced by 15.4%

In order to reduce its energy consumption and air emissions, INTRALOT:

- ▶ Has implemented an energy saving program in all facilities
- ▶ Complies with the necessary technical and maintenance requirements of petrol tanks used for heating
- ▶ Regularly checks the electromechanical equipment for heating and hot water (boilers), air conditioning systems as well as computer and other office equipment
- ▶ Monitors the fuel consumption of corporate leased vehicles, through fuel cards issued to users
- ▶ Utilizes company buses from major public transportation stations to transport employees from/to Peania premises
- ▶ Uses LED lamps in its building in Maroussi, while approximately 85% and 10% of lamps installed in Maroussi and Peania premises respectively are energy-efficient lamps
- ▶ Has installed photoelectric cells in garage areas to turn off lights when there are no employees in those areas
- ▶ Has instructed the Building Security guards to regularly inspect workspace areas during their shifts, in order to ensure that lights and heating/cooling are turned off in areas where no employee is present during late evening and night hours
- ▶ Has installed and operates a Building Management System (BMS) in its building in Peania, which allows operations to automatically halt in case of malfunctions



GOOD PRACTICE Transition to Cloud

As INTRALOT steadily progresses towards environmentally friendlier IT solutions, the Company expands the use of virtualized environments and cloud solutions for certain IT and development services, in order to replace stand-alone and physical servers and achieve energy savings. The Company's IT Department has moved the new software configurations testing as well as development and consolidation of production servers to virtualized environment, which significantly improves INTRALOT's environmental efficiency due to lower energy consumption and carbon dioxide emissions.

Transition to Cloud

	2015	2016	2017	2018
Physical servers (replaced and moved to virtual)				
INTRALOT Group (number)	NR	NR	NR	NR
INTRALOT S.A. (number)	41	21	15	12
Cloud Roll Out				
Servers moved to cloud (private) (number)	68	21	15	6
Approximate energy savings (MJ)	252,288	160,223	124,484	49,793
Approximate heat dissipation savings (MJ)	251,288	159,232	123,986	49,594
Wood (kg)	3,200	3,000	3,000	3,000

NR = Not Reported

Monitoring greenhouse gas emissions

Despite the fact that INTRALOT operates in a non-energy intensive industry with limited greenhouse gas emissions compared to other industries, the Company systematically measures and reports its greenhouse gas emissions due to its extensive operations and the issue's importance worldwide.

Greenhouse gas emissions*

	2015 (tons CO ₂)	2016 (tons CO ₂)	2017 (tons CO ₂)	2018 (tons CO ₂)
Direct (Scope 1) Greenhouse gas emissions				
Due to diesel consumption for vehicle fleet	NR	NR	129.2	140.7
Due to gasoline consumption for vehicle fleet	NR	NR	76.9	54.3
Due to petrol consumption for heating	173.3	160.6	236.7	218
Indirect (Scope 2) Greenhouse gas emissions				
Due to electricity consumption	1,513.3	2,213.5	2,198.9	1,859.7
TOTAL	1,686.6	2,374.1	2,641.7	2,272.7

*Data refer to all buildings of INTRALOT S.A.

Sources of conversion factors: GHG Protocol GHG emissions from transport or mobile sources Calculation Tool v2.6 May 2015 (Diesel, Gasoline), GHG Protocol GHG emissions from stationary combustion Calculation Tool V 4.1 May 2015 (Heating Petrol), IEA - CO₂ Emissions from Fuel Combustion 2016 edition 1 (Electricity)

NR = Not reported



Carbon dioxide emissions reduced by 14%

Using environmentally friendlier refrigerants

INTRALOT's objective is to reduce the average Ozone Depleting Potential (ODP) of used refrigerants. For this reason, the Company mainly utilizes chlorofluorocarbons (CFCs) free refrigerants to cool its servers, use in air-conditioning (R407 and R410) and fire suppression systems as well as for its coolers, in order not to harm the ozone layer, as they correspond to a lower ODP (R-11 equivalent).

Air Travel

Because the climate impact of air transportation is currently not sufficiently regulated by national or international laws, the Company voluntarily commits to minimize air travel and travelled air miles, in order to reduce the impact of its business operations on climate change. Therefore, INTRALOT:

- ▶ Uses other modes of regional travel, where possible
- ▶ Utilizes remote session technologies and conference calls to reduce the number and frequency of business travels
- ▶ Extensively uses e-learning training programs
- ▶ Monitors the number of flights and greenhouse emissions due to employee air travel
- ▶ Combines trips and activities, in order to minimize the number of flights required
- ▶ Uses the most direct routes possible, since take-offs and landings increase the amount of fuel consumed
- ▶ Prefers to utilize flights during the daytime, because relevant studies have showed that flying during nighttime increases the overall environmental impact
- ▶ Encourages employees to fly economy seats, because more people per plane mean fewer emissions per person
- ▶ Encourages employees not to carry heavy baggage during flights, because lighter planes mean less fuels consumed

Air miles and CO₂ emissions from air travel

	2015	2016	2017	2018
Flights (number)	783	810	727	827
Long flights (>4 hours)	180	320	172	155
Short flights (<4 hours)	603	490	555	672
Travelled air miles (thousand miles)	1,101.5	849.9	773.9	686.9
CO₂ emissions (indirect emissions) (tons)*	549.6	585.1	492.8	437.4

**Estimations based on ICAO Carbon Emissions Calculator and EPA 430-R-08-006.*



Carbon dioxide emissions from air travel reduced by 11.2%

Promoting environmental awareness

INTRALOT seeks to promote environmental protection issues and encourages initiatives related to environmental protection. Therefore, the Company:

- ▶ Includes the use of a dedicated reminder in corporate e-mail signatures to consider the environment before printing an e-mail
- ▶ Briefs newly hired employees on recycling through the Corporate Induction Program
- ▶ Supports the activities of its Corporate Volunteer Group, which was created in 2005 and actively engages in various programs and initiatives with Stakeholders and the wider public on environmental protection issues. The Corporate Volunteer Group has created the GREEN SITE, an electronic platform that supports their mission and publicizes their activities
- ▶ Trains employees on environmental protection and the efficient use of energy sources



Protecting biodiversity

Due to its negligible influence of activities and operations on biodiversity, INTRALOT does not have a separate policy on biodiversity. However, the Company takes this important environmental issue into consideration, as:





- ▶ All buildings are located in established industrial or residential areas, with no facilities located near protected NATURA or RAMSAR areas
- ▶ All operation sites are not located near ecosystems and habitats or other areas of high biodiversity value outside protected areas
- ▶ There are no IUCN Red List species and national conservation list species with habitats in areas affected by operations



2018 Objectives

		% of completion
		Contribute to career initiatives for university students
		100%
		Participate in career fair for people with disabilities
		100%

Future Objectives

		Implement an internal awareness campaign to reduce energy consumption	by 2019
		Contribute to career initiatives for university students (e.g. career fairs, internships, mentoring)	by 2019
		Participate in career fairs or programs for persons with abilities and unemployed youth	by 2019
		Sponsor or participate in local technology-related events	by 2019

9.0 ABOUT THE REPORT



9.1 Scope and Development

Principles

The Report follows the Global Reporting Initiative's (GRI) 'Sustainability Reporting Standards' (version 2016), while the following have also been used:

- ▶ For the principles of the Report, the UN's Global Compact
- ▶ For the presentation of quantitative data within the Report, the EFQM's RADAR Card

Scope

The annual Corporate Responsibility Report:

- ▶ Refers to the period 1/1/2018-31/12/2018 (unless indicated otherwise in certain points)
- ▶ Refers to all activities of INTRALOT S.A. (referred as 'INTRALOT' or 'Company'), while further references to selected activities of other companies within the INTRALOT Group (referred as 'INTRALOT Group' or 'Group') are presented (without being included in the scope of this Report), with the exception of Responsible Gaming and Financial Results, which refer to the entire INTRALOT Group
- ▶ Addresses all operations (hardware and software, game content, sports betting management, interactive gaming and management and marketing services as well as licensed gaming operations in its own right)
- ▶ Contains, as a norm, quantitative results for the last four years
- ▶ Contains, as a norm, quantitative data from direct measurements, with while exceptions of estimations and restatements of information from the previous Corporate Responsibility Report 2017 are clearly noted

Terms

For convenient reading, please pay attention to the following terms and symbols:

- ▶ The terms 'INTRALOT' or 'Company' refer to INTRALOT S.A., the Headquarters of INTRALOT Group
- ▶ The terms 'INTRALOT Group' or 'Group' refer to all companies of the Group, including INTRALOT S.A. and its subsidiaries
- ▶ The term 'Customers' refers to the players in countries where INTRALOT is a licensed gaming operator as Lottery Operators in countries where INTRALOT is a provider of technology or manages lottery operations
- ▶ Terms indicated as '3.1', '5.6' etc. refer to the area and section of this Report (e.g. used in the GRI, Global Compact and Stakeholder Tables). For example, the term '5.6' makes reference to chapter 5 (Responsible Gaming), section 6 (Responsible Communication)

Restrictions

INTRALOT recognizes limitations in the Report it publishes, such as presentation of more quantitative data and objectives and external assurance of the Report's principles and content, which intends to handle in future publications.

Option of Report

This Report has been prepared in accordance with the GRI Standards: Core option.

Development of Report:

The Report has been developed in cooperation with STREAM Management:
www.stream-eu.com



Your feedback

INTRALOT welcomes any question, enquiry, clarification or proposal to improve its sustainability reporting. Kindly forward your comments, enquiries or suggestions to:

INTRALOT S.A.
Corporate Affairs Department

Ms. Chryssa Amanatidou, Group Director, Corporate Affairs

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E-mail: corporateaffairs@intralot.com



Main symbols

For convenient reading of this Report, please pay attention to the following symbols, which are widely used:

 <p>GOOD PRACTICE</p> <p>Highlights examples of good practices implemented by INTRALOT.</p>	 <p>INTERNATIONAL GOOD PRACTICE</p> <p>Highlights examples of good practices implemented by INTRALOT in countries where it operates.</p>	 <p>POLICY</p> <p>Highlights sections from formal corporate Policies.</p>	 <p>DID YOU KNOW?</p> <p>Highlights information of particular interest.</p>
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9.2 Global Compact Table

Issue	Principle	Report Section	Coverage
Human Rights			
1.	Support and respect protection of internationally proclaimed human rights	6.6	F
2.	Ensure not to be complicit in human rights abuses	6.6	F
Labor Standard			
3.	Recognize freedom of association and right to collective bargaining	6.6	F
4.	Eliminate all forms of forced and compulsory labor	6.6	P
5.	Abolish effectively child labor	6.6	P
6.	Eliminate discrimination in respect to employment and occupation	6.5	F
Environment			
7.	Support a precautionary approach to environmental challenges	8.1, 8.3, 8.4	F
8.	Promote greater environmental responsibility	8.1, 8.3, 8.4	F
9.	Encourage development and diffusion of environmentally friendly technologies	2.2, 8.3	F
Corruption			
10.	Work against all forms of corruption, including extortion and bribery	4.1, 4.3	F

9.3 GRI Content Index

The correspondence between the content of this Report and the Global Reporting Initiative's (GRI Standards 2016) General Disclosures, Management Approach and Topic-Specific Disclosures, is presented in the following tables

- ▶ Coverage of GRI disclosures is characterized as Full (F), Partial (P) or Not Applicable (NA)
- ▶ General Disclosures of GRI required for 'Core' option are indicated in grey background
- ▶ Management Approach, Topic Specific Disclosures and Boundaries for Material Topics (both for GRI related Topics and other Topics) are indicated in dark grey background on the Table, based on the Materiality Analysis conducted
- ▶ No external assurance has been conducted for the Material Topics

GRI Standard	Report Section	Coverage	Boundary of Disclosure
General Disclosures			
GRI 102: General Disclosures 2016			
Organizational Profile			Company
102-1	2.1	F	
102-2	2.2, 5.6	F	
102-3	2.1	F	
102-4	2.1	F	
102-5	2.3	F	
102-6	2.1	F	
102-7	2.1, 2.2, 6.2, 7.2	F	
102-8	6.2	F	
102-9	2.2, 7.4	F	
102-10	2.1	F	
102-11	8.1, 8.3	F	
102-12	2.5, 4.1, 5.1, 6.6	F	
102-13	2.5	F	
Strategy			Company
102-14	1	F	
102-15	1, 2.4, 4.3	P	
Ethics and Integrity			Company, customers, suppliers
102-16	2.1, 4.1, 5.1, 6.5, 6.6	F	
102-17	4.1	P	
Governance			Company
102-18	4.2	F	
102-19	3.1	P	
102-20	3.1, 4.2, 4.3	F	
102-21	4.2	F	

GRI Standard	Report Section	Coverage	Boundary of Disclosure
102-22	4.2	P	
102-23	4.2	F	
102-24	4.2	P	
102-25	4.2	P	
102-26	3.1, 4.2	P	
102-27	3.1, 4.2	P	
102-28	4.2	P	
102-29	4.3	P	
102-30	4.3	P	
102-31	4.3	F	
102-32	3.2	F	
102-34	4.2	F	
102-35	4.2	P	
102-36	4.2	P	
102-37	4.2	P	
102-38	6.5	F	
Stakeholder Engagement			Company
102-40	3.3	F	
102-41	6.6	F	
102-42	3.3	F	
102-43	3.3	F	
102-44	3.3	F	
Reporting Practice			Company
102-45	7.2, 9.1	F	
102-46	3.1-3.3	F	
102-47	3.2, 9.3	F	
102-48	7.2, 9.1	F	
102-49	9.1	F	
102-50	9.1	F	
102-51	9.1	F	
102-52	9.1	F	
102-53	9.1	F	
102-54	9.1	F	
102-55	9.3	F	
102-56	9.1, 9.3	F	

GRI Standard	Report Section	Coverage	Boundary of Disclosure
Economic Topics			
GRI 103: Management Approach 2016			
103-1	3.2, 4.1, 4.3, 7.4, 9.3	F	
103-2	4.1, 4.3, 7.4	F	
103-3	4.1, 4.3, 7.4	F	
GRI 201: Economic Performance 2016			
201-1	7.2	F	
201-4	7.2	F	
GRI 202: Market Presence 2016			
202-1	6.5	P	
202-2	6.2, 6.5	F	
GRI 203: Indirect Economic Impacts 2016			
203-1	8.2	F	
203-2	8.2	F	
GRI 204: Procurement Practices 2016			Company
204-1	7.4	F	
GRI 205: Anti-Corruption 2016			Company
205-1	4.3	F	
205-2	4.1, 4.3	P	
205-3	4.3	F	
GRI 206: Anti-competitive Behavior 2016			Company
206-1	4.3	F	
Environment Topics			
GRI 103: Management Approach 2016			
103-1	3.2, 8.3, 9.3	F	
103-2	8.3	F	
103-3	8.3	F	
GRI 301: Materials 2016			
301-1	8.3	P	
301-2	8.3	F	
301-3	8.3	P	
GRI 302: Energy 2016			
302-1	8.4	F	
302-2	8.4	P	
302-4	8.4	P	

GRI Standard	Report Section	Coverage	Boundary of Disclosure
302-5	8.3	P	
GRI 303: Water 2016			
303-1	8.3	F	
303-2	8.3	F	
303-3	8.3	F	
GRI 304: Biodiversity 2016			
304-1	8.4	F	
304-2	8.4	F	
304-4	8.4	F	
GRI 305: Emissions 2016			
305-1	8.4	F	
305-2	8.4	F	
305-3	8.4	P	
GRI 306: Effluents and Waste 2016			Company
306-1	8.3	F	
306-2	8.3	P	
306-3	8.3	F	
306-4	8.3	P	
306-5	8.3, 8.4	F	
GRI 307: Environmental Compliance 2016			
307-1	8.1	F	
GRI 308: Supplier Environmental Assessment 2016			
308-2	7.4	F	
Social Topics			
GRI 103: Management Approach 2016			
103-1	3.2, 4.3, 5.4, 5.5, 5.6, 5.7, 6.2, 7.2, 7.4, 8.2, 9.3	F	
103-2	4.3, 5.4, 5.5, 5.6, 5.7, 6.2, 7.2, 7.4, 8.2	F	
103-3	4.3, 5.4, 5.5, 5.6, 5.7, 6.2, 7.2, 7.4, 8.2	F	
GRI 401: Employment 2016			Company
401-1	6.2	F	
401-2	6.2	F	
401-3	6.2	P	
GRI 402: Labor/Management Relations 2016			
402-1	6.6	F	

GRI Standard	Report Section	Coverage	Boundary of Disclosure
GRI 403: Occupational Health and Safety 2016			
403-2	6.4	P	
403-3	6.4	F	
GRI 404: Training and Education 2016			
404-1	6.3	P	
404-3	6.3	F	
GRI 405: Diversity and Equal Opportunity 2016			
405-1	6.2	F	
405-2	6.5	P	
GRI 406: Non-discrimination 2016			
406-1	6.5	F	
GRI 407: Freedom of Association and Collective Bargaining 2016			
407-1	6.6	P	
GRI 408: Child Labor 2016			
408-1	6.6	P	
GRI 409: Forced or Compulsory Labor 2016			
409-1	6.6	P	
GRI 411: Rights of Indigenous People 2016			
411-1	-	NA	
GRI 412: Human Rights Assessment 2016			
412-1	6.6	P	
412-2	6.3	F	
GRI 413: Local Communities 2016			Company
413-1	8.2	P	
413-2	8.2	F	
GRI 414: Supplier Social Assessment 2016			Company
414-2	7.4	F	
GRI 415: Public Policy 2016			Company
415-1	4.3	F	
GRI 416: Customer Health and Safety 2016			
416-1	5.4	F	
416-2	5.4	F	

GRI Standard	Report Section	Coverage	Boundary of Disclosure
GRI 417: Marketing and Labelling 2016			Company
417-1	5.6, 5.7	F	
417-2	5.6	F	
417-3	5.6	F	
GRI 418: Customer Privacy 2016			Company, players
418-1	5.5	F	
GRI 419: Socioeconomic Compliance 2016			Company
419-1	4.3, 5.4, 6.5, 7.2	F	
Other Topics (non GRI)			
GRI 103: Management Approach 2016			
103-1	3.2, 4.3, 5.3, 5.4, 5.7, 6.2, 6.4, 6.5, 7.4, 9.3	F	
103-2	4.3, 5.3, 5.4, 5.7, 6.2, 6.4, 6.5, 7.4	F	
103-3	4.3, 5.3, 5.4, 5.7, 6.2, 6.4, 6.5, 7.4	F	
Responsible Gaming			Company, customers
Duration of Responsible Gaming trainings (hours)	5.3, 5.7	F	
Evaluation of Responsible Gaming training programs	5.3	F	
Products with Responsible Gaming information (percentage)	5.7	F	
Risk Management			Company
Risk management approach	4.3	F	
Responsible Buying			Company, suppliers
Suppliers' evaluation (process, frequency)	7.4	F	
Business Continuity			Company
Operations assessed for risks which could result to a cease of operations (percentage)	4.3	F	

GRI Standard	Report Section	Coverage	Boundary of Disclosure
Products & Services Quality			Company
Products with lifecycle assessments related to quality (percentage)	5.4	F	
Labor Practices			Company
Grievances about labor practices filed, addressed, and resolved (number)	6.5	F	
Information Security			Company
Information security events reported and actions taken (number)	4.3	F	
Products & Services Compliance			Company
Incidents of non-compliance with regulation and voluntary codes concerning provision and use of products and services (by number, outcomes)	5.4	F	
Office Work Conditions			Company
Concerns related to Health and Safety at workplace (by number, outcomes)	6.4	F	
Employees with overtime work (by percentage, average overtime hours)	6.2	F	

9.4 Glossary

Term	Refers to
'3.1' or '5.6' etc.	The area and section of this Report (e.g. used in the GRI, Global Compact and Stakeholder Tables). For example, the term '5.6' makes reference to chapter 5 (Responsible Gaming), section 6 (Responsible Communication).
'B2B'	The form of commerce where a company makes a commercial transaction with another, such as sourcing materials for their production process.
'B2C'	The form of commerce where a company sells consumer goods or services to directly to its customers through multiple distribution channels.
'B2G'	The form of commerce where a company provides goods and services to government agencies (i.e. federal, state or local
'Carbon dioxide' or 'CO₂'	The gaseous chemical compound derived from the combustion of fossil fuels (oil, gasoline, natural gas, etc.) and organic compounds (wood, plastic, etc.), which contributes to the greenhouse effect.
'COBIT'	The Control Objectives for Information and Related Technologies, a framework created by the international professional association ISACA for information technology (IT) management and IT governance. The framework provides a set of controls over information technology and organizes them around a logical framework of IT-related processes and enablers.
'Corporate Social Responsibility' or 'Corporate Responsibility'	The voluntary commitment of companies to include in their corporate practices economical, social and environmental criteria and activities, which are beyond the legislative requirements and are related to their impact on Stakeholders.
'Customers'	The end users (players) in countries where INTRALOT is a licensed operator (B2C) as well as Lottery Operators (B2B) in countries where INTRALOT is a provider of technology or manages lottery operations.
'EFQM'	The European Foundation for Quality Management, a non-profit organisation located in Brussels, which promotes Business Excellence and within this frame, also Corporate Responsibility.
'European Lotteries Association' or 'EL'	The umbrella organisation of national lotteries in Europe, who only offer gaming and betting services in the jurisdictions they are licensed by the respective national government.
'Environmental footprint'	The total greenhouse gas emissions arising directly (e.g. burning of fossil fuels for heating) or indirectly (e.g. by the use of products) from a company.

'Electronic Gaming Machines' or 'EGMs'	The gaming machines with three or more reels which spin when a button is pushed.
'Global Compact'	The United Nations Global Compact, an initiative to encourage companies and organizations worldwide to adopt sustainable and socially responsible policies as well as to report on their implementation, stating ten principles in the areas of human rights, labor, the environment and anti-corruption.
'INTRALOT' or 'Company'	INTRALOT S.A., the Headquarters of INTRALOT Group.
'INTRALOT Group' or 'Group'	All companies of the Group, including INTRALOT S.A. and its subsidiaries.
'ISO'	The largest organisation in the world, developing internationally accepted Standards, such as ISO9001.
'NFC'	The Near-field communication technology, a set of communication protocols that enable two electronic devices to establish communication by bringing them in close distance with each other.
'Player'	The end users of INTRALOT's games.
'Report'	The Corporate Responsibility Report 2018.
'Sales network'	The Points of Sale of INTRALOT's games.
'Video lottery terminal' or 'VLT'	The gaming machine that allows players to bet on the outcome of a video game.
'World Lottery Association' or 'WLA'	The global professional association of state lottery and gaming organizations from more than 80 countries.

9.5 Feedback Form

Your opinion helps INTRALOT improve

We invite you to share your opinion with INTRALOT and help us improve the Corporate Responsibility Report by sending us the following questionnaire:

Which Stakeholder group do you belong to?

- | | | |
|--|--|------------------------------------|
| <input type="checkbox"/> Players | <input type="checkbox"/> Customers | <input type="checkbox"/> Suppliers |
| <input type="checkbox"/> Business Partners | <input type="checkbox"/> Retailers | <input type="checkbox"/> States |
| <input type="checkbox"/> Employees | <input type="checkbox"/> Local Communities | <input type="checkbox"/> NGOs |
| <input type="checkbox"/> Media | <input type="checkbox"/> Shareholders | |
| <input type="checkbox"/> Other: _____ | | |

What is your overall impression of the Report?

	Very Good	Good	Average	Poor
Coverage of basic issues regarding the company's operations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Completeness of quantitative data	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Completeness of qualitative data	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Graphics and illustration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Balance between sections	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



What is your opinion regarding the following sections of the Report?

	Very Good	Good	Average	Poor
INTRALOT Group	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Corporate Responsibility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Corporate Governance and Compliance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Responsible Gaming	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Employee Wellbeing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Economic Sustainability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Societal Support	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Are there any sections that need to be extended/shortened?

Do you have any comments or suggestions about the Report?

Please return this form to:

INTRALOT S.A., Group Corporate Affairs

64, Kifissias Ave. & 3, H. Sabbagh / S. Khoury St., 151 25 Athens, Greece

e-mail: corporateaffairs@intralot.com

Report evaluation information will be statistically processed toward the sole purpose of making reporting improvements. All personal data are treated as confidential and are protected as stipulated by law.

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