

Morningstar DBRS Upgrades Intralot S.A.'s Issuer Rating to B (high) and Maintains Positive Trend

SERVICES

DBRS Ratings GmbH (Morningstar DBRS) upgraded Intralot S.A.'s (Intralot or the Company) Issuer Rating to B (high) from B and maintained the Positive trend following the Company's completion of the acquisition of Bally's Corporation's (Bally's) International Interactive business.

KEY CREDIT RATING CONSIDERATIONS

Morningstar DBRS' credit rating action follows the completion of the transformative acquisition of Bally's International Interactive business and refinancing in October 2025. Intralot paid for the EUR 2.7 billion transaction by issuing EUR 1.1 billion equity and EUR 1.6 billion cash raised from newly issued debt. The Company used part of the raised EUR 1.6 billion debt to refinance the existing debt, therefore extending its debt maturity profile. The Company also raised EUR 429 million of equity. Post-transaction, the Company remained listed on the Athens Stock Exchange and Bally's Corporation, which is the parent of Intralot, increased its share in the combined business to 58% from its previous 33% through this acquisition.

As Morningstar DBRS mentioned in the previous press release dated 7 July 2025, this acquisition has fundamentally changed the Company's business mix from Intralot's previous focus on business-to-business (B2B) lottery game technology services (circa 30% of total combined revenue) to a marked focus on business-to-consumer (B2C) igaming and sports betting (70% of the combined revenue). Therefore, Morningstar DBRS changed the applied industry supplement to the Casino Operators and Online Gaming Industry supplement within the "Global Methodology for Rating Companies in Services Industries", instead of the previously used Service Provider Industry supplement.

A larger scale of the combined business and better diversification across products support the positive credit rating action; however, Morningstar DBRS notes that now the major contribution to the Company's revenue comes from the UK, hence its geographical concentration. The Company is better positioned to leverage from the highly complementary technology capabilities of the two companies in gaming and lottery markets globally, thereby creating cross-selling opportunities in the future and tapping into the fast-growing igaming and lottery markets. Additionally, Intralot's financial profile continues to benefit from higher EBITDA margin for both segments.

The Positive trend indicates the potential upside of the credit rating once the uncertainties of the UK gambling tax implications clear and the Company builds a track record of operating with the new management and the higher scale.

CREDIT RATING DRIVERS

Morningstar DBRS may consider a positive credit rating action if, all else equal, there is a sustainable

improvement in Intralot's business risk profile, such as a continued expansion of profitability margins and ongoing debt repayments that improve key financial metrics from current levels, including debt-to-proportionate EBITDA of less than 3.5 times (x) on a sustainable basis. In addition, Morningstar DBRS may also consider a positive credit rating action if the UK gambling tax impact on the forecasted credit metrics is marginal and/or if the Company has built a positive performance track record on a combined basis which aligns with our projections.

Morningstar DBRS may consider a negative credit rating action if, all else equal, Intralot's credit metrics deteriorate below the forecast assumptions, such as adjusted cash flow-to-debt trending below 10% and/or debt-to-proportionate EBITDA trending above 5.0x. Morningstar DBRS may also consider a negative credit rating action if Intralot takes on incremental debt and/or if negative events affect its business risk profile, such as adverse business development and excessive dividend policy enforced by its parent Bally's Corporation.

EARNINGS OUTLOOK

Morningstar DBRS expects the combined revenue and Morningstar lease adjusted EBITDA to be at EUR 1.1 billion and EUR 427 million for F2025 based on the last 12 months to June 2025, revenue of EUR 1.08 billion, and EBITDA of EUR 425 million, respectively, with low-single-digit annual percentage growth thereafter. Morningstar DBRS assumed execution of the lower end of management's target of synergies between EUR 30 million and EUR 45 million in F2026. The Company expects it to come from office space and workforce optimisation and therefore Morningstar DBRS expects an EBITDA margin around 38%.

FINANCIAL OUTLOOK

Cash flow from operations is expected to be strong throughout the forecast period and sufficient to cover working capital, capital expenditures (capex), and dividend payment. The Company has a minimum dividend payout ratio of 35% of net income in line with the Greek gambling law. Intralot has stated its net leverage target of around 2.5x net debt-to-EBITDA (as defined by the Company). Morningstar DBRS expects the Company to achieve this target gradually in the medium term, mainly through EBITDA improvement and to a smaller extent through deleveraging.

CREDIT RATING RATIONALE

Comprehensive Business Risk Assessment (CBRA): BBL

The assigned CBRA reflects Intralot's strengths, which include: (1) being a leading online casino operator in the UK with market share of approximately 15%, which is Europe's largest gambling market by revenue. The UK sector is mature and heavily regulated by both government and non-governmental organisations, such as the UK's Gambling Commission, providing a transparent regulatory framework. Intralot has more than 30 years of operating experience in a regulated industry benefitting from high barriers to entry; (2) a proven ability to win long-term contracts and retain clients with 89% contract renewal rate; (3) a suite of proprietary technology solutions; and (4) improved operating efficiency is supported by the high EBITDA margins from igaming. Conversely, the analysis also considers certain credit rating constraints, including the Group's increased exposure to the UK and more exposure to the B2C market, and still lower scale/brand recognition than major global players.

Morningstar DBRS applied a negative 1.5 notches for environmental, social, and governance (ESG) considerations and recognising the weaker business profile from the services legacy business that was previously rated.

Comprehensive Financial Risk Assessment (CFRA):BB

The assigned CFRA takes into consideration the combined business and Morningstar DBRS expectations for cash flow-to-debt to reach mid-double digits and leverage to be between 4.0x and 3.5x for the next two years on a blended basis. Morningstar DBRS foresees a gradual deleveraging throughout the forecast period driven by increasing EBITDA on the back of cross-selling, synergies, and to a smaller extent debt amortisation. Cash flow-to-debt is expected to be strong and sufficient to cover working capital and capex, which is mostly used for U. S. lottery tender offers. Morningstar DBRS considers liquidity to be adequate; the Company has fully available Revolving Credit Facility of EUR 160 million and balanced debt maturity profile post-refinancing, with the earliest being the EUR 130 million amortising retail bond due in February 2029 and the rest of the financial obligations due in 2031.

Morningstar DBRS removed the negative one-notch adjustment for parent-subsidary relationships because Intralot refinanced the financial obligations at the U.S. Subgroup level therefore, there is no longer structural subordination present. The newly issued debt is issued at Intralot Capital Luxembourg S.A. Additionally, Morningstar DBRS added a negative one notch to account for the uncertainty of the financial impact of the potential tax increase on gambling operators by the UK government.

Intrinsic Assessment (IA): BH

The IA is based on the CBRA and CFRA. Taking into consideration the potential execution risk of synergies/ integration and the lack of track record with management and operation at this scale, among other factors, Morningstar DBRS placed the IA at the lower end of the IA Range.

Additional Considerations:

The Issuer Rating includes no further negative or positive adjustments because of additional considerations.

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE CONSIDERATIONS

Social (S) Factors

The following Social factor had a relevant effect on the credit analysis: Morningstar DBRS considered the Social Impact of Products and Services as a relevant Social factor for Intralot. Morningstar DBRS included this factor in its analysis because of Intralot's exposure to the lottery and gaming industry, which is subject to safeguards and regulation to uphold responsible gaming practices and to protect vulnerable populations. The increasing regulatory requirements in the regions in which Intralot operates could pose a financial or reputational risk to the Company. Morningstar DBRS considered this factor as relevant (as opposed to significant) because of the nature of Intralot's technology services, which facilitate its customers' regulatory reporting obligations; its industry certifications, including the World Lottery Association Responsible Gaming Framework Certification, and its operating track record of more than 30 years in the sector.

There were no Environmental or Governance factors that had a significant or relevant effect on the credit analysis.

A description of how Morningstar DBRS considers ESG factors within the Morningstar DBRS analytical framework can be found in the Morningstar DBRS Criteria: Approach to Environmental, Social, and Governance Factors in Credit Ratings (16 May 2025), <https://dbrs.morningstar.com/research/454196>

Further details on the Company's Intrinsic Assessment can be found at <https://dbrs.morningstar.com/research/467287>.

Notes:

All figures are in euros unless otherwise noted.

Morningstar DBRS applied the following principal methodology:

-- Global Methodology for Rating Companies in Services Industries (3 February 2025)

<https://dbrs.morningstar.com/research/447184>

Morningstar DBRS credit ratings may use one or more sections of the "Morningstar DBRS Global Corporate Criteria" (3 February 2025), <https://dbrs.morningstar.com/research/447186> which covers, for example, topics such as holding companies and parent/subsidiary relationships, guarantees, recovery, and common adjustments to financial ratios.

The following methodologies have also been applied:

-- Morningstar DBRS Criteria: Approach to Environmental, Social, and Governance Factors in Credit Ratings (16 May 2025), <https://dbrs.morningstar.com/research/454196>

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The credit rating methodologies used in the analysis of this transaction can be found at: <https://dbrs.morningstar.com/about/methodologies>.

A description of how Morningstar DBRS analyses corporate finance transactions and how the methodologies are collectively applied can be found at: <https://dbrs.morningstar.com/research/431153>.

The primary sources of information used for this credit rating include the Intralot Group's audited consolidated financial statements and annual reports for F2024 to Q2 2025, detailed business plans and supporting information obtained from Intralot management, documentation and legal agreements relating to the debt instruments of the Intralot Group, public information and enclosures available on the Intralot Group's website, and other information and correspondence provided by the Intralot Group to Morningstar DBRS as of 5 November 2025. Morningstar DBRS considers the information available to it for the purposes of providing this credit rating to be of satisfactory quality.

Morningstar DBRS does not audit the information it receives in connection with the credit rating process, and it does not and cannot independently verify that information in every instance.

The conditions that lead to the assignment of a Negative or Positive trend are generally resolved within a 12-month period. Morningstar DBRS trends and credit ratings are under regular surveillance.

For further information on Morningstar DBRS historical default rates published by the European Securities and Markets Authority (ESMA) in a central repository, see: <https://registers.esma.europa.eu/cerep-publication>. For further information on Morningstar DBRS historical default rates published by the Financial Conduct Authority (FCA) in a central repository, see <https://data.fca.org.uk/#/ceres/craStats>.

The sensitivity analysis of the relevant key credit rating assumptions can be found at: <https://dbrs.morningstar.com/research/467286>.

This credit rating is endorsed by DBRS Ratings Limited for use in the United Kingdom.

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Initial Rating Date: 11 April 2024
Last Rating Date: 7 July 2025

Information regarding Morningstar DBRS credit ratings, including definitions, policies, and methodologies, is available on dbrs.morningstar.com or contact us at info-DBRS@morningstar.com.

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Ratings

Intralot S.A.

Date Issued	Debt Rated	Action	Rating	Trend	Attributes
14-Nov-25	Issuer Rating	Upgraded	B (high)	Pos	EU U

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