



ANNOUNCEMENT

Intralot enters into a binding lock-up agreement with key noteholders in support of the proposed capital structure optimisation transactions that will address its upcoming maturities and materially deleverage its balance sheet

14 January 2021

This press release relates to the disclosure of information that prior to publication qualified, or may have qualified, as inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation 596/2014.

Not for release, publication or distribution to any person located or resident in any jurisdiction where it is unlawful to distribute this press release.

Intralot S.A. (“**Intralot**”, the “**Company**” and, together with its subsidiaries the “**Group**”) is pleased to announce that it has entered into a lock-up agreement (the “**Lock-up Agreement**”) with an ad hoc group of noteholders (the “**Ad Hoc Group**”), holding in excess of 75% of the EUR 250 million senior unsecured notes due 2021 (the “**2021 SUNs**”), pursuant to which the parties agree to support the balance sheet optimisation transactions. Members of the Ad Hoc Group also hold in excess of 13% of the EUR 500 million senior unsecured notes due 2024 (the “**2024 SUNs**”).

The Lock-up Agreement marks an important milestone in the Group’s efforts to implement the transactions that will materially deleverage the Group’s balance sheet and enhance its maturity runway and liquidity. This would facilitate the Group to execute its business plan and capitalise on a number of attractive new opportunities across both the lottery and sports betting segments.

The Company has also been in discussions with other noteholders about these transactions and intends to continue to do so post execution of the Lock-Up Agreement.

Intralot Chairman and Chief Executive Officer Sokratis Kokkalis, said: *“The execution of the binding Lock-up Agreement is the successful result of a comprehensive balance sheet optimisation process launched by the Group. The transactions will significantly improve the Group’s capital structure, and provide a solid foundation to support future growth and deliver long-term value to all stakeholders.*

The leadership team would like to thank all of our stakeholders, including our noteholders, creditors, shareholders, employees, and customers, for their commitment and continued support of Intralot throughout the process. We look forward to working together on the next chapter of Intralot’s journey.”

Key terms of the transactions

Deleveraging will be achieved through two transactions, involving cross-conditional exchange offers to the 2021 SUNs and the 2024 SUNs.

- i. The exchange of the 2021 SUNs into €205 million of new senior secured notes (the “**New SSNs**”) issued by Intralot Inc. due 2025 (the “**2021 Note Exchange**”); and
- ii. An offer to holders of the existing 2024 SUNs to exchange their 2024 SUNs for up to 49% of the share capital of an entity to be established under the laws of Netherlands as a direct subsidiary of Intralot Global Holdings B.V. (“**IGH**”) and the indirect parent of Intralot Inc. (“**TopCo**”) (the “**2024 Note Exchange**”),

New Senior Secured Notes

The New SSNs will be issued in an aggregate principal amount of €205 million and will bear a cash interest rate of 5.90% in year one and two of issuance, 7.00% in year three of issuance, and 7.25% thereafter. The Group will also be provided with the option to capitalise interest at an 8.75% payment-in-kind interest rate, in lieu of paying cash interest, for each interest payment period. The New SSNs will mature in September 2025, subject to a springing maturity to September 2024 if the 2024 SUNs maturity is not extended by at least 12 months. The New SSNs will be issued by Intralot Inc. and guaranteed by a) TopCo (together with its subsidiaries, the “**New Restricted Group**”), b) an entity to be established under the law of The Netherlands as a direct subsidiary of TopCo and the direct parent company of Intralot Inc. (“**HoldCo**”) and c) Intralot Tech – Single Member SA, a company incorporated under the laws of Greece. The New SSNs will be secured by certain assets of the New Restricted Group on a first ranking basis and benefit from the terms of an Intercreditor Agreement to be entered on or about the issue date of the New SSNs to regulate the relative rights of the New SSNs and other permitted debt which may be incurred by the New Restricted Group. The issuance of the New SSNs will be, among others, conditional on the closing of the 2024 Note Exchange.

2024 Note Exchange

Each existing holder of the 2024 SUNs will be offered the opportunity to tender their 2024 SUNs in exchange for up to 49% of the share capital of TopCo through an exchange offer. Certain holders of 2024 SUNs who are parties to the Lock-up Agreement and are also members of the Ad Hoc Group (the “**Backstop Commitment Parties**” and the commitment, the “**Backstop Commitment**”) will provide a backstop to the 2024 Note Exchange by guaranteeing a minimum tender of €68 million of the 2024 SUNs they hold, for 18.7% of the share capital of TopCo (“**Backstopped Amount**”). The Backstop Commitment is subject to customary terms and conditions. The Backstop Commitment Providers will receive a cash fee of between 4.0%-7.5% of the Backstopped Amount, depending on the amount of 2024 SUNs validly tendered by other holders (and accepted) in the 2024 Note Exchange. The closing of the 2024 Note Exchange will be, among others, conditional on the issuance of the New SSNs.

JV Agreement

IGH, together with the other shareholders of TopCo, will enter into a joint venture agreement (the “**JV Agreement**”), which will govern the rights of the parties as shareholders of TopCo. Minority shareholders will receive certain standard minority protections, as applicable based on their respective holdings in TopCo, including board representation, minority veto rights on specific material matters, anti-dilution protection, tag and drag along protections, and certain exit rights (amongst others).

Further details on the Lock-up Agreement

Under the terms of the Lock-up Agreement:

- the parties thereto have agreed to take all actions which are necessary in order to support, facilitate, implement, consummate or otherwise give effect to all or any part of the 2021 Note Exchange;
- the parties thereto have agreed not to take, encourage, assist, support any action that would or would reasonably be expected to delay, impede or prevent the implementation or consummation of the 2021 Note Exchange;
- certain customary termination events apply (some of which are automatic and some of which are voluntary and exercisable by different parties), including but not limited to termination on the long-stop date (which may be extended with the consent of the Company and the majority participating noteholders) and voluntary termination for material non-compliance with the terms of the Lock-up Agreement by certain parties and the occurrence of an insolvency event with respect to certain Group companies (subject to customary exceptions); and
- the participating noteholders may not transfer or sub-participate any of their 2021 SUNs that are subject to the Lock-up Agreement unless the relevant transferee or sub-participant agrees to be bound by the terms of the Lock-up Agreement, subject to certain exceptions.

All conditions to the effectiveness of the Lock-up Agreement have been satisfied.

Implementation

It is proposed that the transactions referred to above will be implemented in parallel by way of two cross-conditional exchange offers. It is proposed that the 2021 Note Exchange will be effected by way of an exchange offer requiring support from at least 90% of the holders of the 2021 SUNs. If the requisite 90% support is not achieved to implement the 2021 Note Exchange, the Company has alternative plans to implement the 2021 Note Exchange.

The 2024 Note Exchange will be effected via an exchange offer to the holders of 2024 Notes to exchange their 2024 Notes for ordinary shares in TopCo.

Next Steps

Lucid Issuer Services Limited (“**Lucid**”) has been engaged by the Company to act as information agent for the Lock-up Agreement (the “**Information Agent**”). All holders of 2021 SUNs that have not yet signed the Lock-up Agreement and wish to support the 2021 Note Exchange will need to complete and execute an Accession Agreement to the Lock-up Agreement in their capacity as a holder of 2021 SUNs and provide evidence of their beneficial holdings via the relevant clearing systems to Lucid (acting as Information Agent under the Lock-up Agreement) by no later than 5:00 pm (London time) on 25 January 2021. Noteholders should direct any queries as to how to accede to the Lock-up Agreement to Lucid as Information Agent at the telephone numbers and addresses listed below. All holders of 2021 SUNs are eligible to participate in the Lock-up Agreement. The Lock-up Agreement and copies of all documentation relating to Lock-up Agreement, together with any updates, will be available to holders of 2021 SUNs on the dedicated website: www.lucid-is.com/intralot/. Access to such dedicated website will be subject to holders of 2021 SUNs providing evidence of holdings satisfactory to the Information Agent.

Information Agent Contact Details

Lucid Issuer Services Limited

Email: intralot@lucid-is.com

Phone: + 44 20 7704 0880

Attention: Oliver Slyfield / Sunjeeve Patel

Any noteholder who wish to discuss the transactions described above should contact **Evercore Partners International LLP**, who are acting as financial advisors to the Company at **Project-SyntaxEVR@evercore.com**.

Noteholders may wish to contact the Ad Hoc Group via their financial advisors Houlihan Lokey and AXIA Ventures Group Limited.

Houlihan Lokey EMEA, LLP

AXIA Ventures Group Limited

Email: ProjectLegendHL@hl.com

Email: Project.Legend@axiavg.com

Houlihan Lokey EMEA, LLP, which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, and AXIA Ventures Group Limited, which is regulated by the Cyprus Securities and Exchange Commission, are acting exclusively for the members of the Ad Hoc Group in connection with the matters set out in this press release and for no one else and will not be responsible to anyone other than such persons for providing the protections afforded to its clients or for providing advice in relation to the matters set out in this press release.

Disclaimer

This announcement may include certain statements, estimates, targets and projections provided by the Company with respect to the anticipated future performance of the Company and the Group (together the “**forward-looking statements**”). In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the words “believes”, “could”, “estimates”, “anticipates”, “aims”, “expects”, “intends”, “may”, “will”, “plans”, “continue”, “ongoing”, “potential”, “predict”, “project”, “target,” “seek”, “should” or “would” or, in each case, their negative or other variations or comparable terminology or by discussions of strategies, plans, objectives, targets, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. You should not place undue reliance on these forward-looking statements. Such forward-looking statements reflect significant assumptions and subjective judgements by the Company’s management concerning anticipated results. These assumptions and judgements may or may not prove to be correct and there can be no assurance that any estimates, targets or projections are attainable or will be realised. Accordingly, neither the Company nor any member of the Group (nor any of its or their respective directors, partners, employees or advisors) nor any other person, shall give any representation or warranty as to the achievements or reasonableness of future projections, estimates or targets nor will they be liable for any direct, indirect or consequential loss or damage suffered by any person as a result of relying on any statement in or omission from this press release; any such liability is expressly disclaimed. Any forward-looking statements are only made as of the date of this press release, and we do not intend, and do not assume any obligation, to update forward-looking statements set forth in this press release. You should interpret all subsequent written or oral forward-looking statements attributable to the Company or to persons

acting on its behalf as being qualified by the cautionary statements in this note. As a result, you should not place undue reliance on these forward-looking statements.

The completion of the transactions is subject to various conditions, including but not limited to the approval of the transactions and agreement of its terms by prescribed percentages of the Group's noteholders. Notwithstanding the support of a substantial number of the holders of the 2021 SUNs, there can be no assurance that the transactions will be completed on the terms currently envisaged, or at all.

No representation, warranty or undertaking, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or the opinions contained herein. Neither the Group nor any of its advisors or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this press release or its contents. The information contained in this press release does not constitute investment advice.

This press release is not an offer to sell or a solicitation of an offer to buy or exchange or acquire securities in the United States or in any other jurisdiction and no offer, tender offer, sale, exchange or acquisition of securities is proposed in a jurisdiction where such offer, tender offer, sale, exchange or acquisition would be illegal. The securities mentioned in this announcement have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or the laws of any other jurisdiction, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

APPENDIX 1 – INFORMATION DISCLOSURE STATEMENT

The Company wishes to disclose information relating to its commercial operations and medium-term financial projections, which have been shared with certain stakeholders as part of capital structure optimization discussions.

Projected Financial Information

A summary of the Company's financial projections on a shareholders of the parent basis are set out below:

Group Projected Financials					
(€m)	FY2020	FY2021	FY2022	FY2023	FY2024
Revenue (excl. Partnerships)	319	363	359	379	398
<i>of which New Opportunities</i>	2	24	13	25	34
GGR (excl. Partnerships)	259	293	288	309	326
<i>of which New Opportunities</i>	2	24	13	25	34
EBITDA (excl. Partnerships)	48	86	82	93	103
<i>of which New Opportunities</i>	1	12	7	12	17
Net Dividends and Management Fees	11	6	9	10	10
Net Capex and Investments	(39)	(50)	(87)	(20)	(24)
<i>of which New Opportunities</i>	(2)	(14)	(10)	(1)	(3)
Change in Working Capital	(14)	8	(3)	(5)	(4)
Tax Paid ¹	(6)	(6)	(5)	(8)	(17)
Unlevered Free Cash Flow	0	45	(4)	69	68
Memo:					
Consolidated Group Revenue ²	379	440	439	460	481
Consolidated Group EBITDA ²	62	109	107	118	129

Intralot Inc. Group Projected Financials ³⁴					
(€m)	FY2020	FY2021	FY2022	FY2023	FY2024
Revenue	138	130	142	154	168
<i>of which New Opportunities</i>	-	1	6	12	20
EBITDA ⁵	54 ⁶	54	61	66	74
<i>of which New Opportunities</i>	-	0	3	5	9
Net Capex	(18)	(17)	(14)	(8)	(11)
<i>of which New Opportunities</i>	(2)	(6)	(1)	(1)	(0)
Change in Working Capital	(5)	2	(1)	(3)	(1)
Tax Paid	-	-	-	(2)	(11)
Unlevered Free Cash Flow	30	39	46	54	52

Rest of World Projected Financials					
(€m)	FY2020	FY2021	FY2022	FY2023	FY2024
Revenue RoW (excl. Partnerships)	180	233	217	224	229
<i>of which New Opportunities</i>	2	23	7	13	14
GGR RoW (excl. Partnerships)	120	163	146	154	158
<i>of which New Opportunities</i>	2	23	7	13	14

¹ Excludes €6.2m of exceptional tax costs at RoW in FY 2020.

² Inclusive of total Partnership revenue and EBITDA. Partnerships refer to stakes in Turkey (Inteltek & Bilyoner), Bulgaria (Eurofootball Group until early December 2019 & Eurobet Group until 1Q20), and Argentina.

³ EUR:USD FX rate of 1.145 assumed for FY 2020 and 1.130 for FY 2021-FY 2024.

⁴ Assumes existing Intralot Inc. geographic contract perimeter is maintained. New Opportunities in the Intralot Inc. group do not include any potential VLT opportunities.

⁵ Excludes €18m and €2m p.a of accrued intragroup service charge expenses for FY 2020 and FY 2021-FY 2024, respectively.

⁶ Intralot Inc. FY 2020 projected EBITDA is €54m, of which €2m comprises terminal sales and exceptional items primarily including reorganisation costs, legal expenses and the estimated impact of COVID-19.

EBITDA RoW (excl. Partnerships) ⁷	(6)	33	21	26	28
<i>of which New Opportunities</i>	1	12	3	6	7
Net Dividends	11	6	9	10	10
Net Capex and Investments	(20)	(32)	(73)	(12)	(14)
<i>of which New Opportunities</i>	-	(8)	(9)	(0)	(3)
Change in Working Capital	(8)	6	(2)	(3)	(2)
Tax Paid	(6)	(6)	(5)	(6)	(6)
Unlevered Free Cash Flow	(30)	7	(50)	16	17
<i>Memo:</i>					
Consolidated RoW Revenue ^{7b}	240	309	297	306	313
Consolidated RoW EBITDA ^{7b}	8	55	46	52	55

Notes: The above financials include the projected impact of COVID-19. The above projections illustratively assume that the Company's currently outstanding revolving credit facilities are rolled over through the full projection period. The Company projects borrowing and lease principal payments of approximately €7-11m per annum over the projection period.

Intralot Inc. group

The Company intends to leverage its new digital solutions and technology to increase penetration in the US market. The sports betting segment is projected to be one of the principal drivers of future growth, due to (i) the ramp-up of newly secured contracts in New Hampshire, Washington DC and Montana and (ii) potential new opportunities, including in states where Intralot has strong existing relationships.

Sports betting's contribution to revenue is projected to grow from €1m in FY 2020 to €49m in FY 2024, whilst its EBITDA contribution is projected to grow from €(4)m in FY 2020 to €23m in FY 2024, as the ramp-up of new and existing contracts, ongoing cost saving initiatives and operating leverage drive margin expansion. New sports betting contracts are projected to achieve €19m of revenue and €9m of EBITDA, respectively, by FY 2024. To achieve the Company's projections, capex and investment in sports betting is estimated at €16m between FY 2020 to 2024.

The lottery segment is projected to reach €137m of revenue and €58m of EBITDA in FY 2020 and €119m of revenue and €51m of EBITDA by FY 2024. Maintenance, renewal and new contract capex for lotteries is projected to total €52m between FY 2020 to 2024.

The Company has identified four new potential sports betting and lottery contract opportunities in the US, which have been included on a probability weighted basis within the projections. The Company has also identified a number of additional opportunities that are at a preliminary stage and therefore have not been incorporated within the projections.

Intralot Inc. LTM June 2020 EBITDA was €40m⁹.

The Company projects three customers will account for 49% of Intralot Inc. group revenues by FY 2024.

Rest of World

Rest of World (RoW) revenue and profitability is projected to recover over the forecast period due to (i) an anticipated post-COVID-19 normalization, (ii) a ramp-up in activity in recently secured contracts, (iii) new business opportunities identified in Europe and Asia, (iv) the renegotiation of certain contracts on improved terms, and (v) the implementation of additional headquarter (HQ) cost saving initiatives (discussed in further detail below).

⁷ Excludes €18m and €2m p.a of accrued intragroup service charge operating income for FY 2020 and FY 2021-FY 2024, respectively.

⁸ Inclusive of total Partnership revenue and EBITDA. Partnerships refer to stakes in Turkey (Inteltek & Bilyoner), Bulgaria (Eurofootball Group until early December 2019 & Eurobet Group until 1Q20), and Argentina.

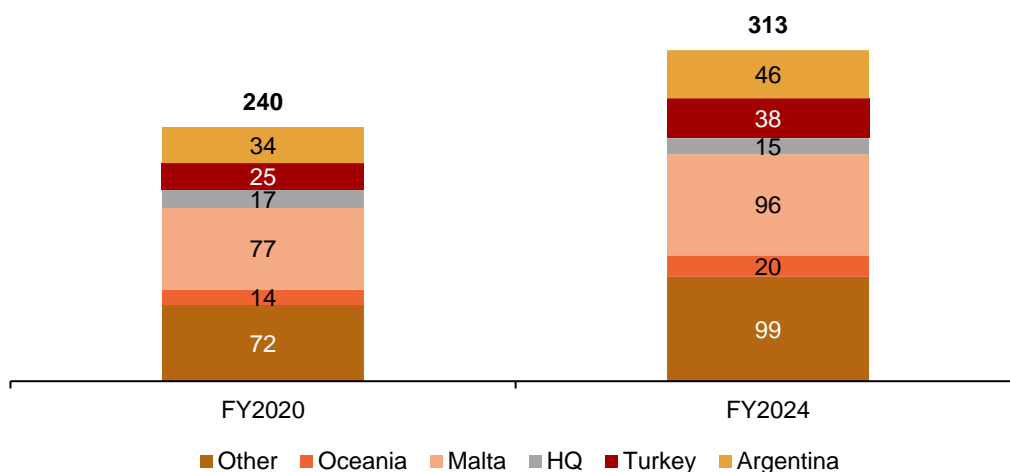
⁹ Prior to service recharges. Of which €(4)m comprised terminal sales and exceptional items primarily including reorganisation costs, legal expenses, one-off contract related expenses and the estimated impact of COVID-19.

Together, these factors are projected to result in an increase in RoW (excl. Partnerships) GGR from €120m to €158m between FY 2020 and FY 2024, and a projected increase in RoW (excl. Partnerships) EBITDA from €(6)m to €28m over the same time period.

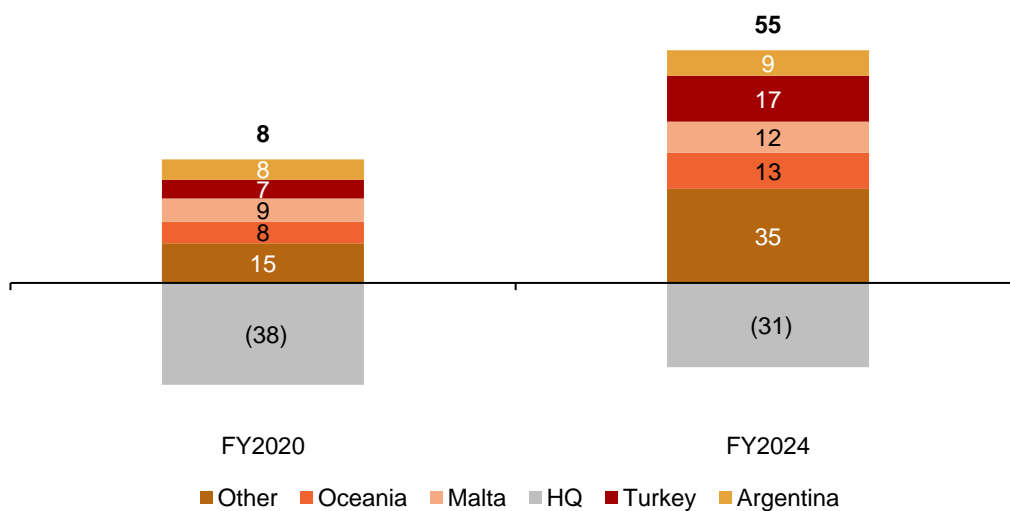
The Company has identified nine new potential contract opportunities in RoW, which have been included on a probability weighted basis within the projections. There are further additional opportunities identified by the Company that are at a preliminary stage and therefore have not been incorporated within the projections.

Presented below is a breakdown of projected consolidated revenue¹⁰ and EBITDA¹⁰ in the RoW's key regions in FY 2020 and FY 2024, respectively:

Consolidated RoW Revenue (€m)



Consolidated RoW EBITDA (€m)



¹⁰ Inclusive of total Partnership revenue and EBITDA. Partnerships refer to stakes in Turkey (Inteltek & Bilyoner), Bulgaria (Eurofootball Group until early December 2019 & Eurobet Group until 1Q20), and Argentina.

Total RoW (excl. Partnerships and HQ) capex for FY 2020 to FY 2024 is projected at €83m and primarily comprises contract renewal capex. The Company is considering multiple options to finance renewal and new contract capex, including utilising local borrowing.

HQ capex is projected to decrease from €16m in FY 2020 (post-cost savings) to €10m in FY 2024, due to lower levels of HQ project activity, after the completion of the ramp-up phase for new contracts in FY 2019 and FY 2020, as well as a reduction in outsourcing costs.

Net dividends and fees received from partnerships and subsidiaries are projected to fall from €45m in FY 2019 to €6m FY 2021, due to the loss of the Eurofootball, Eurobet and Inteltek contracts and the disposal of Gamenet. There is projected to be a recovery thereafter to €10m in FY 2024 driven primarily by increased growth and capture of market share in Turkey.

Cost Savings

In FY 2019, the Company developed and implemented a cost savings plan (the “HQ Cost Savings Plan”), which aims to reduce capex, direct costs and operating expenses. The Company is targeting completing all identified cost saving measures in the plan by FY 2021. Initiatives include reductions in head office operating costs, travel and exhibition-related expenses, capital expenditures, as well as increased efficiencies derived from a more mature product portfolio.

In response to the global outbreak of COVID-19, the Company has identified further areas for cost savings in order to reduce the impact of the pandemic on profitability. Areas of particular focus relate to (amongst others) reduced outsourcing, further opex rationalisation and delivery cost efficiencies in the HQ perimeter.

A summary of the cumulative cost savings projected to be achieved are set out below:

Cost Savings Plan						
(€m)	FY2020	FY2021	FY2022	FY2023	FY2024	Cumulative ¹¹
HQ Cost Savings Plan¹²	10.7	15.8	17.5	18.5	19.5	82.1

COVID-19 Update

As noted in previous announcements, the spread of the COVID-19 pandemic (and the subsequent restrictions imposed by governments worldwide) is projected to adversely impact financial performance in FY 2020. Management continues to review local economic data, solicit “on-the-ground” feedback, and monitor developments on an ongoing market-by-market basis. Based on current projections, in FY 2020 the pandemic is projected to have a negative impact on revenue, EBITDA and FCF of €54m, €27m and €21m, respectively, on a shareholder of the parent basis. A positive FCF impact of €1m is projected in FY 2021. The above projections assume a negative impact on Intralot Inc. and its subsidiaries’ revenue and EBITDA of €4m in FY 2020. For LTM June 2020 the negative EBITDA impact of COVID-19 on Intralot Inc. was estimated at €3m. All above projections are inclusive of (i) measures taken to reduce costs and (ii) funding received from government support initiatives.

Key Contracts

The Company has a diversified market and product portfolio, and actively operates across 42 regulated jurisdictions, with c.61 contracts, of which 12 are in the US and 49 are in RoW. Key geographies include the United States, Philippines, Germany, Australia, New Zealand, Netherlands, Taiwan, Malta, Morocco, Turkey and Argentina, with no contract contributing more than 17% of consolidated EBITDA as per FY 2019 results (excluding HQ and all discontinued / terminated business). The 5-year backlog of contracted revenue is €1.5bn and the average remaining tenor of contracts is 6.3 years (7.6 years in the US).

¹¹ Capex savings are expected to generate 57% of cost savings in FY 2020 and 47% of aggregate cost savings through FY 2024.

¹² Direct costs and operating expense savings in FY 2020 are expected to comprise c.8% of the HQ cost base.

Capital Structure

Summarized in the table below is the Group's capital structure as of September 30, 2020:

Facility	Borrowing Entity	Outstanding
2021 SUNs	Intralot Capital Luxembourg SA	248.6
2024 SUNs ⁽¹⁾	Intralot Capital Luxembourg SA	465.0
Secured RCF	Intralot Global Holdings BV	17.5
Financial Leases	Intralot Inc.	7.0
Total Debt		738.1
IFRS 16 Leases ⁽²⁾	Various	10.7
Total Adjusted Debt		748.8
Cash and Cash Equivalents ⁽³⁾⁽⁴⁾		(107.2)
Total Adjusted Net Debt⁽⁵⁾		641.6

Notes: (1) Excludes notes repurchased by Company; (2) Of which €5.8m are at Intralot Inc. and its subsidiaries; (3) Includes cash and cash equivalents in partnerships of €8.6m; (4) Includes €14.5m of cash at Intralot Inc. and its subsidiaries; (5) Excludes intercompany loan balances of €29.2m due from the Intralot Inc. group to RoW as of September 30, 2020. These intercompany loan balances are projected to be repaid by FY 2023.

As of September 30, 2020 the weighted average cash interest cost of the Group's total borrowings (inclusive of leases) was 5.7%.

Contingent Liabilities

The Group and Intralot Inc. had the following contingent liabilities from guarantees as of September 30, 2020:

Contingent Liabilities			
(€m)	Intralot Inc.	RoW	Total
Performance	67.9	52.7	120.6
Financing	0.0	5.0	5.0
Bid and Other	0.2	0.1	0.3
Total	68.1	57.8	125.9

Intralot Inc. has contractual obligations for the purchase of telecommunication services for interconnection points of sale. The minimum future payments for the remaining contract duration as of September 30, 2020 were €8.9m.

Post-Transaction Relationship Intralot Inc. and RoW

As part of the Transaction Intralot Inc. and its subsidiaries will operate, to the extent possible, as standalone entities with any remaining services provided by RoW to Intralot Inc. and its subsidiaries to be agreed contractually on arm's length terms. These services are projected to cover man power support, administrative services, leasing, intellectual property and licensing costs. The Company estimates that these contracts could result in net cash payments of approximately €16m from the Intralot Inc. group to RoW between FY 2020 and FY 2024 with c.€2m and €8m of payments projected for FY 2020 and FY 2021, respectively, pro forma the Transaction.

Disclaimer

This document is provided for information purposes and is not intended (in whole or in part) as an offer for sale or subscription of, or solicitation of any offer to buy or subscribe for, any securities of the Group or its affiliates, nor should any part of any of this document form the basis of, or be relied on in connection with, any contract or commitment whatsoever.

Nothing contained in this document is intended, or should be construed, as a recommendation to buy or sell any securities or other obligations.

APPENDIX 2 – PROCEDURES TO SIGNING ACCESSION AGREEMENT AND PROVIDING INSTRUCTION TO CLEARING SYSTEMS

PROCEDURES TO SIGNING ACCESSION AGREEMENT AND PROVIDING INSTRUCTION TO CLEARING SYSTEMS

Any Noteholder who would like to accede to the Lock-up Agreement and become a Participating Noteholder under the Lock-up Agreement must follow the procedures as set forth below.

Unless otherwise defined herein, capitalised terms used in this Annex shall have the meanings given to them in the Lock-up Agreement and the Accession Agreement, as applicable.

Access to the Submission Website (as defined below) will be subject to Noteholders providing evidence of holdings satisfactory to the Information Agent.

Any Noteholder that would like to accede to the Lock-up Agreement and become a Participating Noteholder under the Lock-up Agreement (a **Participation**) must sign the Accession Agreement and promptly provide instructions to the relevant Clearing Systems by following the procedures set forth below. If a Noteholder is acceding to the Lock-up Agreement following a transfer to it by a then Participating Noteholder, the Noteholder must also provide a Transfer Notice (in or substantially in the form in Schedule 9 (Form of Transfer Notice (Participating Noteholder to Additional Participating Noteholder)) to the Lock-up Agreement) signed by it and the relevant Transferor to the Information Agent via email (intralot@lucid-is.com) or www.lucid-is.com/intralot (the **Submission Website**).

Each person who is shown in the records of the clearing and settlement systems of Euroclear and Clearstream as holding the Notes indirectly is referred to as a Direct Participant.

1. Signing the Accession Agreement

Noteholders may provide signature pages to the Accession Agreement to Lucid via the Submission Website. Noteholders will be required to provide details of their contact name, telephone and email address when submitting their signature pages to the relevant Accession Agreement via the Submission Website, in addition to the unique instruction reference, as applicable, obtained from the relevant Clearing Systems as further described below.

2. Providing Instructions to the Clearing Systems

In order to confirm Participation in the Lock-up Agreement, each person who is shown in the records of the relevant Clearing System as a Noteholder acceding to the Lock-up Agreement must confirm, at or prior to the Expiration Time, Participation as described below.

Intralot Capital Luxembourg S.A. (the **Issuer**) will accept Participating Noteholders' confirmation of relevant Participation given in accordance with Euroclear and Clearstream's customary procedures.

UNDER NO CIRCUMSTANCES SHOULD ANY PERSON TENDER OR DELIVER NOTES TO THE ISSUER, THE INFORMATION AGENT, THE TRUSTEE OR THE SECURITY AGENT AT ANY TIME.

Any Noteholder who wishes to confirm Participation and whose Notes are held in the name of a broker, dealer, commercial bank, trust company or other nominee institution must contact such nominee promptly and instruct such nominee, to consent in accordance with the customary procedures of the relevant Clearing System on behalf of such Noteholder. The deadlines set by such Clearing System for the confirmation of Participation may be earlier than the deadlines specified in this announcement.

The Trustee shall not have responsibility or liability for monitoring, tabulating or verifying compliance with deadlines or other formalities in connection with the delivery or revocation of Participation and will be relying on the Issuer and the Information Agent, as applicable.

None of the Information Agent, the Trustee, or any of their respective directors, employees or affiliates, makes any recommendation as to whether Noteholders should confirm Participation.

The Issuer will resolve all questions as to the validity, form, eligibility (including time of receipt) and acceptance of Participation, and those determinations will be binding. The Issuer reserves the right to reject any or all Participation not validly confirmed or any Participation the Issuer's acceptance of which could, in the opinion of the Issuer's counsel, be unlawful. The Issuer also reserves the right to waive any defects or irregularities in connection with confirmations or to require a cure of such irregularities within such time as the Issuer determines. None of the Issuer, any Guarantor, any of their respective affiliates, the Trustee, the Information Agent or any other person shall have any duty to give notification of any such waiver, defects or irregularities, nor shall any of them incur any liability for failure to give such notification. Confirmation of a Participation will be deemed not to have been made until such irregularities have been cured or waived. The Information Agent is the agent of the Issuer and owes no duty, express or implied, to any Noteholder.

Euroclear/Clearstream

Certain Noteholders will have to submit, or arrange to have submitted on its behalf, on or prior to the Expiration Time and before the deadlines set by Euroclear and Clearstream, a validly authenticated SWIFT message, Euclid server or Creation instruction (each an Electronic Participation Instruction) to Euroclear or Clearstream, as the case may be. Only Direct Participants in Euroclear or Clearstream may submit Electronic Participation Instructions through Euroclear and Clearstream.

Electronic Participation Instructions

To confirm Participation by Electronic Participation Instruction, a Noteholder should either (i) if such Noteholder is a Direct Participant, contact Euroclear or Clearstream for participation procedures and deadlines regarding the submission of an Electronic Participation Instruction to authorize the confirmation of Participation and the blocking of the relevant Notes in the accounts in Euroclear or Clearstream, as the case may be; or (ii) request such Noteholder's broker, dealer, bank, trust company or other nominee to effect the submission of an Electronic Participation Instruction to authorize the confirmation of Participation and the blocking of the relevant Notes in the accounts in Euroclear or Clearstream for such Noteholder. Noteholders whose Notes are held on their behalf by a broker, dealer, bank, trust company or other nominee must contact such entity if they desire to confirm Participation.

The Electronic Participation Instruction by which Noteholders are to confirm their Participation will include an authorization and instruction to Euroclear or Clearstream, as the case may be, to block the relevant Notes for which Participations are confirmed so that no transfers may be effected in relation to such Notes at any time from and including the date on which the Noteholder submits its Electronic Participation Instruction until the date falling no later than three business days following the Expiration Time.

Noteholders will be required to provide the unique instruction reference obtained from their respective Direct Participants on submission of an Electronic Participation Instruction through Euroclear or Clearstream, as applicable, when submitting their signature pages to the relevant Accession Agreement. Without such unique instruction reference, such Accession Agreement may not be deemed valid.

The deadlines imposed by each of Euroclear and Clearstream for the confirmation of Participation may be earlier than the relevant deadlines specified in this announcement.

The Information Agent shall be entitled to accept submission of an Electronic Participation Instruction as deemed confirmation that such Notes have been so blocked. The Information Agent shall require the relevant Clearing System to confirm in writing that such Notes have been blocked with effect from the date of submission of the Electronic Participation Instruction. In the event that the relevant Clearing System fails to do so, the Information Agent shall inform the Issuer who shall be entitled, but not obliged, to reject the Electronic Participation Instruction.

No Letter of Transmittal or Consent Form

Other than the Accession Agreement and/or Transfer Notice, if applicable, no letter of transmittal or consent letter needs to be executed in relation to the Participation.

No Guaranteed Delivery

There are no guaranteed delivery procedures provided by the Issuer in connection with the relevant Participation. Beneficial owners of relevant Notes that are held in the name of a custodian must contact such entity sufficiently in advance of the Expiration Time if they wish to confirm Participation.

Direct Participants in the Clearing Systems confirming Participation must give authority to the relevant Clearing System to disclose their identities (name, telephone number and email address) to the relevant Trustee and the Information Agent.

In each case, the Issuer shall have the right to determine whether any purported Participation satisfies the requirements of the Lock-up Agreement, this announcement and the relevant Notes Indenture, and any such determination shall be final and binding on the Noteholder who provided such confirmation of Participation.

Once Noteholders validly provide the signature pages to the relevant Accession Agreement and evidence of their unique instruction references has been duly received, the Information Agent will confirm execution of the Lock-up Agreement to the relevant Noteholder by email.

Expiration Time; Extensions

The term Expiration Time means 5 pm (London time) on 25 January 2021, unless the Issuer, in its sole discretion, extends the Expiration Time with respect to the Notes, in which case the Expiration Time shall be the latest date and time for which an extension is effective. The Issuer may extend the Expiration Time with respect to the Notes on a daily basis or for a specified period of time. In order to extend the Expiration Time, the Issuer will notify the Information Agent of any extension by written notice prior to 9:00 a.m. London time on the next business day after the previously scheduled Expiration Time. The Issuer may elect to utilize any means reasonably calculated to inform Noteholders of such extension, in addition to complying with any applicable notice provisions of the Notes Indenture. Failure of any Noteholder to be so notified will not affect the extension of such Expiration Time.

Noteholders may accede to the Lock-up Agreement after the Expiration Time. If any Noteholder would like to do so they should contact the Information Agent via email to intraLot@lucid-is.com and arrange signing of the Accession Agreement.

Without limiting the manner in which the Issuer may choose to make an announcement of any extension, the Issuer shall have no obligation to publish, advertise, or otherwise communicate such announcement, other than by complying with any applicable notice provisions of the Notes Indentures or the Lock-up Agreement, as the case may be. None of the Issuer, the Information Agent, or the Trustee is responsible if any Noteholder fails to meet these deadlines and cannot take part in the Lock-up Agreement.

4. US tax considerations

Noteholders should consult their own tax advisers concerning the U.S. federal, state and local and non-U.S. and other tax consequences of signing or acceding to the Lock-up Agreement and/or the implementation of the Proposed Restructuring in light of their individual situations.