

Report of the Board of Directors of the company "INTRALOT S.A. INTEGRATED LOTTERY SYSTEMS AND SERVICES", distinctive title "INTRALOT", in accordance with the provisions of paragraph 4.1.3.13.2 of the Athens Exchange Rulebook and article 22 par. 1 and 2 of Law 4706/2020

Introduction

The Extraordinary General Meeting of the shareholders of the company "INTRALOT S.A. INTEGRATED LOTTERY SYSTEMS AND SERVICES" with the distinctive title "INTRALOT" (hereinafter the "**Company**"), with its resolution dated 23.05.2022, among others, granted the authority to the Board of Directors of the Company to decide for the share capital increase of the Company according to the provisions of article 24 par. 1 (b) of Law 4548/2018, for an amount that cannot exceed 150% the paid up share capital of the Company that exists at the date of granting of such authority to the Board of Directors, i.e. up to € 66,841,553.25 (nominal capital), with the issuance of new common registered shares with voting rights, and to define the specific terms and time-schedule of the share capital increase with a relevant resolution pursuant to the applicable provisions of Law 4548/2018, including, indicatively, the structure of the increase, the subscription price of the new shares, the allocation criteria between the different categories of investors, the execution of the necessary contracts or agreements with banks or/and other investment services companies acting as intermediaries, organizers, coordinators or administrators and in general, to proceed with any required or advisable action, deed or transaction for the implementation of the share capital increase, including the relevant amendment of the Articles of Association of the Company. The aforementioned authorization remains in force for six (6) months as of the resolution of the General Meeting and the Board of Directors may exercise the abovementioned powers once.

By virtue of the authority granted to it by the above resolution of the General Meeting of Shareholders, the Board of Directors of the Company during its meeting held on 21.06.2022 plans to decide, among others:

(i) The Company's share capital increase, by an amount of up to sixty six million eight hundred forty thousand sixty four Euro and fifty cents (€ 66,840,064.5) (the "**Increase**"), with the issuance of up to 222,800,215 new, common, intangible, registered voting shares with a nominal value of 0.30 Euros each (the "**New Shares**"), with cash payment and with a pre-emption right of the existing shareholders of the Company. The holders of a pre-emption right to the Increase will be entitled to acquire New Shares with a ratio of 1.4999665907674 New Shares for each old share of the Company. In case the Increase is not fully covered, there will be a possibility of partial coverage, provided that the total amount of proceeds amounts to at least € 126,500,000. In case the total amount of proceeds is less than € 126,500,000, the share capital increase will be canceled.

(ii) The determination of the issue price of New Shares at Euro fifty eight cents (€ 0.58) per New Share (the "**Issue Price**"). The Issue Price may be higher than the stock price at the time of the detachment of the pre-emption right. The total difference between the nominal value of the New Shares and their issue price, amount (in case of full coverage of the Increase) sixty two million three hundred eighty four thousand sixty Euro and twenty cents (€ 62,384,060.2), will be credited to the account "Share Premium".

(iii) Not fractions of New Shares will be issued and the New Shares resulting from the Increase will be entitled to dividends from the profits of the current fiscal year (01.01.2022-31.12. 2022) and thereafter, in accordance with the applicable legislation and the Company's

Articles of Association, provided that the Annual General Meeting of the Company resolves to distribute dividends for such fiscal year and, in addition, provided that the New Shares have been credited to the securities accounts of the beneficiaries identified through the Dematerialised Securities System (the “D.S.S.”) managed by the Hellenic Central Securities Depository S.A. (the “EL.K.A.T.”), on the cutoff date for the dividend withdrawal right.

(vi) To set a sixteen (16) calendar days deadline for the exercise of the pre-emption rights of existing shareholders, according to article 26 par. 2 of Law 4548/2018. The following persons will have the pre-emption right in the Increase:

- (a) all the shareholders of the Company, who will be registered in the D.S.S, on the date of identification of beneficiaries (record date) according to article 5.2 of the of the Athens Exchange Rulebook, if they retain these rights during their exercise time, and
- (b) those who acquire pre-emption rights during their trading period on the Athens Exchange.

The persons mentioned under (i) and (ii) above will be entitled to exercise pre-emption rights in the New Shares with a ratio of 1.4999665907674 New Shares for each old Share.

The maximum number of New Shares for which a holder of pre-emption rights may subscribe depends on the number of the pre-emption rights owned. The pre-emption rights are freely transferable and will be traded on the Athens Stock Exchange from the date of commencement of the exercise period until three (3) working days prior to the expiry of the exercise period, in accordance with Article 5.3.1.2 (5) of the Athens Stock Exchange Regulation.

(v) To set 01.07.2022 as the emption-rights cutoff date, 04.07.2022 as the record date, 18.07.2022 as the expiration date of the trading period of the pre-emption rights and 21.07.2022 as the expiration date for the exercise of pre-emption rights. It is noted that if required by the approval times of the Prospectus by the Hellenic Capital Market Commission, these dates may be amended by a subsequent decision of the Board of Directors.

(vi) To set a four (4) months deadline from the day of registration of the resolution of the Board of Directors for the Increase in the General Commercial Registry, for the payment of the Increase, according to article 20 par. 2 of Law 4548/2018.

(vii) To grant subscription right (the “Subscription Right”) to persons who have fully exercised the pre-emption rights held by them to acquire from each exerciser, at the Issue Price, New Shares that may remain unallocated (a) following the timely exercise or amortization of the pre-emption rights and (b) the allocation of New Shares to entities or funds that “Standard General L.P.” controls or manages, including “Standard General Master Fund II L.P.” (together “SG”), by virtue of the Memorandum of Understanding (MOU) dated 25.04.2022 signed between “Standard General Master Fund II L.P.” and the Company (the “Unallocated Shares”). Subscription rights may be exercised for the acquisition of Unallocated Shares not exceeding 100% of the New Shares resulting from the exercised pre-emption rights. In case the number of Unallocated Shares is greater than the number of shares requested through subscriptions, the subscriptions will be satisfied in full. In case the number of Unallocated Shares is not sufficient to fully satisfy the requests of the persons having exercised their Subscription Rights, the latter will be satisfied proportionately to the number of New Shares for which they have exercised their Subscription Rights in relation to the total number of Unallocated Shares until complete allocation thereof. Amounts paid upon exercise of the Subscription Right that will not be used to cover Unallocated Shares, as well as in the event of the complete cancellation of the Increase due to failure to cover at least € 126,500,000, will be refunded without interest to those who exercised the Subscription Right.

(viii) In the event that after the allocations of New Shares on the basis of the exercised subscription rights, the allocation of New Shares SG, and the Subscription Rights, there are

still Unallocated Shares, they shall be allocated at the Issue Price, at the discretion of the Board of Directors.

It is noted that on 25.04.2022 the Company signed a binding Memorandum of Understanding (MOU) with "Standard General Master Fund II L.P." regarding the terms and conditions under which SG will participate in the Increase. In particular, in the event that all pre-emption rights of the Company's shareholders in the Increase are not exercised, SG will acquire all of the unsubscribed shares for a price not exceeding € 0.58 per share and up to a number of shares not exceeding 1/3 of the total number of shares with voting rights of the Company. The commitment is subject to customary conditions related to an unexpected change in circumstances. As the Issue Price is within the limit agreed in the MOU as above, SG will acquire all of the unsubscribed shares at the Issue Price (up to 1/3 of the total number of shares with voting rights of the Company).

The Increase, if fully funded, will raise a total of € 129,224,124.7.

A. Use of proceeds raised from the previous increase

The previous increase in the Company's share capital, which raised funds from the investing public (i.e. an increase that did not involve the capitalisation of reserves or stock options), took place before 2000.

B. The Company's investment plan, a timetable for its implementation and a detailed analysis of the use of proceeds

In case of full coverage of the Increase, the total funds raised, after deducting the estimated issue costs of approximately € 1,400,000, is estimated to amount to approximately € 127,824,124.7, while in the event of partial coverage, if it amounts to at least € 126,500,000, and after deduction of the estimated issue costs, it is estimated to amount to approximately € 125,100,000. The Company will use the total net funds raised as follows:

1. (a) an amount of € 121,279,484.4 for the repurchase of 33.23% (33,227,256 shares) of the share capital of "Intralot US Securities B.V." from the Company's wholly owned subsidiary "Intralot Global Holdings B.V.", for a price of € 3.65 per share of "Intralot US Securities B.V.", under the share purchase agreement of 25.04.2022 between the Company, the subsidiary "Intralot Global Holdings B.V." with other shareholders of "Intralot US Securities B.V.", and (b) an amount of up to € 3,808,497.6 for the repurchase, at most, of the remaining 1,043,424 shares of the share capital of "Intralot US Securities B.V." (1.04%) held by other minority shareholders following the exercise by the sellers mentioned under (a) of the drag along right to sell these shares to "Intralot Global Holdings B.V." for the same price per share under the Joint Venture Agreement of 03.08.2021. With the acquisition of 34.27%, the total number of shares of "Intralot US Securities B.V." will be owned by the Intralot Group. It is noted that "Intralot US Securities B.V." indirectly holds 100% of the shares of "Intralot, Inc.". The transaction is conditional upon the completion of the Increase. It is clarified that upon certification of the Increase, the Company will immediately proceed to increase the share capital of "Intralot Global Holdings B.V.", so that the latter will complete by August 10, 2022 the aforementioned repurchase of the shares of "Intralot US Securities B.V."
2. The remaining amount for the Company's working capital purposes.

According to the aforementioned binding Memorandum of Understanding (MOU) dated 25.04.2022, which is however subject to the usual conditions related to unexpected change of circumstances, as well as the declaration of intent of indirectly main shareholder Sokratis P. Kokkalis, the Company has secured all the funds related to the number (1) use above.

Therefore, in the event of partial coverage, if it amounts to at least € 126,500,000, no funds will be made available for the number (2) use above or funds will be made available up to the remaining amount of the coverage of the Increase, after deducting the issue costs and the number (1) use above.

The funds raised for under (a) use are expected to be disbursed within two (2) months from the certification of payment of the Increase, while the funds raised for under (b) use are expected to be disbursed within twelve (12) months from the certification of payment of the Increase. The proceeds of the issue, until fully disposed, will be invested in short-term low-risk investments, such as term deposits.

C. Information about the complete data of the acquired company, its brief presentation, detailed analysis of its business plan, time schedule of implementation of the plan and its valuation.

As described above under (B), an amount of € 125,087,982 of the share capital increase will be used to repurchase a percentage of 33.23% (33,227,256 shares) to 34.27% (34,270,680 shares) of the share capital of "Intralot US Securities B.V.", from the wholly owned subsidiary of the Company "Intralot Global Holdings B.V.". "Intralot US Securities B.V." is established under the laws of the Netherlands, it has its registered offices in the Netherlands (Delflandlaan 1, Office 919, 1062 EA Amsterdam, the Netherlands), and is registered in the Commercial Register of the local Chamber of Commerce under number 81936354. It is a holding company and currently solely owns 100% of "Intralot US Holdings B.V.", which is incorporated under the laws of the Netherlands, it has its registered offices in the Netherlands (Delflandlaan 1, Office 919, 1062 EA Amsterdam, the Netherlands) and is registered in the Commercial Register of the local Chamber of Commerce under number 81954565. This company is also a holding company and currently solely owns 100% of the company "Intralot, Inc." which is established under the laws of the state of Georgia, USA where it has its registered offices (11360 Technology Circle, Duluth GA 30097 USA) and which is mainly active in the gaming market in North America (USA and Canada).

According to article 4.1.3.13.2 of the Athens Stock Exchange Regulation, par. (1) (c), if the share capital increase relates to the acquisition of another company and if the total price is higher than 1 million euro (as in the present case) the report is also required to include (a) valuation of the company to be acquired (b) presentation of the company to be acquired with reference to the fully available data of the company to be acquired, its brief overview, detailed analysis of the investment plan of the company to be acquired and its implementation timeline. Based on the data mentioned above, information presented below are related to "Intralot, Inc." (as mentioned both "Intralot US Securities B.V." and "Intralot US Holdings B.V." are holding companies, the only asset of which is the holding of 100% of the shares of "Intralot, Inc.", so, this is, in essence, the acquired company):

"Intralot, Inc.", headquartered in Atlanta, in the State of Georgia, USA, is operating in North America (USA and Canada) in the gaming industry, offering technology services and gaming systems management in 12 states with contracts in 12 US State Lotteries and one in Canada. In addition, it offers central monitoring services of video lottery terminals in two states. In 2020, "Intralot, Inc." broke ground in the newly regulated and prominent US Sports betting market and it currently has projects running in 2 states of USA. This market is, after all, the one in which the company aims for its growth in the future. Furthermore, "Intralot, Inc." holds 49% of "DC09, LLC", which was established in January 2010 exclusively for the provision of services to the lottery project in the state of Washington, D.C. In addition, "Intralot, Inc." is 100% shareholder of its subsidiary "Intralot Tech - Single Member S.A.", headquartered in

Greece, and was established in October 2019, the sole purpose of which is the software development and the provision of support services for the projects of "Intralot, Inc.". "Intralot, Inc.", through its contacts, holds about 10% of the market share in a number of managed lottery games, addressing approximately 40 million people in the United States market. Furthermore, it employs 700 employees for the provision of its services, including its subsidiaries. The typical average duration of the lottery contracts in force is approximately 9 years, inclusive of provisioned contracts extensions.

With regards to the financial data consolidated in the Group, the turnover of "Intralot, Inc." for the Financial Year 2021 amounted to 152.3 million euros, increased by 14.6% or 19.5 million euros compared to 2020, while Earnings before Interest, Taxes, Depreciation, and Amortization (EBITDA) for 2021 shaped at 74.6 million euros, presenting an increase of 44.8% or 23.0 million euros compared to the previous year. In addition, "Intralot, Inc." paid 13.1 million euros in 2021 for the purchase of tangible and intangible assets against the amount of 13.8 million euros in 2020, i.e., decreased by 4.7%.

The main areas on which the investment plan of "Intralot, Inc." will focus on, is the expansion of new projects in the newly regulated sports betting market to existing customers in the lottery game, thus expanding its activity in this vertical to states in which is already active, as well as the maintenance of existing lottery contracts in states in which current contracts either expire or some additional investment is required in order for the technology to respond to changing market conditions and to improve the quality of services provided to lotteries / customers. The investment plan concerns the four-year period 2022-2025 and is in the area of 100 million US dollars (in euro 95 million at the exchange rate of €/ \$ 1.052 as at 17/6/2022), of which approximately 25% will concern the expansion to new sports betting projects and the remaining 75% on extensions or improvements to existing contracts. The capital needs of the company's investment plan will be met exclusively by the generated cash flows of the company, since "Intralot, Inc." had positive cash flows in 2021 from operating activities after the payment of interest and financial expenses in the order of approximately 50.0 million euros, while a similar performance is expected in the four-year period 2022-2025 in total and therefore can meet its investment plan without the need for further cash injection.

Since both "Intralot US Securities B.V." as well as "Intralot US Holdings B.V." are holding companies, whose sole asset is the holding of 100% of the shares of "Intralot, Inc.", as mentioned, the determination of the fair value of "Intralot US Securities B.V." was based on the 14.06.2022 valuation carried out by «PricewaterhouseCoopers Auditing S.A.», based in Chalandri, Attica (268 Kifissias Ave.) taking into account the business model of "Intralot, Inc.", that is the only company, the activity of which generates the cash flows used in the valuation and there is no other activity that contributes to the value of the above holding companies. In addition, for the purposes of calculating the fair value, three different valuation methods were used (Discounted Cash Flow Approach (DCF), Comparable Listed Companies Approach, Comparable Transaction Multiples Approach) which are deemed appropriate for the particular case. « PricewaterhouseCoopers Auditing S.A.» and the signatory of the valuation report are independent in relation to "Intralot US Securities B.V." as well as with "Intralot US Holdings B.V." and "Intralot, Inc." for the last five years before repurchase. This valuation report is provided as Appendix A to the Board of Directors Report.

As derived from the above valuation, the weighted range of total value of the shares of "Intralot US Securities B.V." ranges between 335.9 and 419.6 million euros based on the exchange rate as at 31/12/2021), while the final value range for 34.27% of the shares is between 115.1 million and 143.8 million euros. Based on this value, the amount of the above

share capital increase was calculated, that will be used for the repurchase of 33.23% to 34.27% of the share capital of "Intralot US Securities B.V." from its wholly owned subsidiary "Intralot Global Holdings B.V." resulting in the fair participation of "Intralot Global Holdings B.V." to range from 98.96% to 100% after the completion of the above transactions. Taking into account the above, and in particular that the valuation methods used are suitable for this valuation, as well as that the amount of the redemption price, i.e., approximately € 125.1 million for 34.27% of the share capital of "Intralot US Securities B.V.", is within the corresponding range of values we have identified, we consider that the amount of the redemption price is reasonable and fair from a financial point of view.

The Company notifies that according to article 4.1.3.13.2 (1) case (c) of the ATHEX Regulations, the relevant report of the Board and the valuation of the company to be acquired by «PRICEWATERHOUSECOOPERS AUDITING S.A.» will be posted on the company's website (<https://www.intralot.com/share-capital-increase-2022>) and on the ATHEX website (<https://www.athexgroup.gr/el/>).

D. Information regarding the investment plan of "Intralot Global Holdings B.V." as funds will be made available for the Company's participation in the increase of its share capital.

The aforementioned repurchase of the shares of "Intralot US Securities B.V." will be effected by the wholly owned (directly and indirectly) subsidiary of the Company "Intralot Global Holdings B.V.", incorporated under the laws of the Netherlands and with its registered office in the Netherlands (Delflandlaan 1, Office 919, 1062 EA Amsterdam, the Netherlands), registered with the Commercial Register of the local Chamber of Commerce under number 26546213. The Company will increase the share capital of "Intralot Global Holdings B.V." by an amount corresponding to the repurchase price. The investment plan of "Intralot Global Holdings B.V." in relation to the capital increase of its share capital relates exclusively to the repurchase of shares of "Intralot US Securities B.V." as described above.

E. Announcements of the main shareholders of the Company & members of the Board of Directors

The below main shareholders have notified the Board of Directors as below with regards to the Increase:

Mr. Sokratis P. Kokkalis, in his capacity as main shareholder of the Company, controlling indirectly, through the 100% controlled company "K-GENERAL INVESTMENTS AND SYSTEMS SINGLE-MEMBER HOLDINGS SOCIETE ANONYME" which controls more than 90% of the company of "ALPHACHOICE SERVICES LIMITED", 41,624,719 shares of the Company, i.e, indirectly, 28.023% of the share capital of the Company, in application of article 4.1.3.13.2 of the Athens Stock Exchange Regulation in view of the forthcoming increase of the share capital of the Company, at the meeting of the Board of Directors of the Company held on 21.06.2022 declares its intention:

- (a) To fully exercise the preemption rights that correspond to him indirectly.
- (b) To maintain its participation percentage for a period of six (6) months after the start of the trading of the new shares.
- (c) To cover to the greatest extend all the shares that may remain unallocated following the distribution of the unallocated shares to SG, through subscription, in order that the amount of coverage amounts to at least € 126,500,000.

F. Increase Amount - Issue Price of the New Shares

The share capital of the Company will increase by an amount of up to sixty six million eight hundred forty thousand sixty four Euro and fifty cents (€ 66,840,064.5), by the issuance of up to 222,800,215 new, common, dematerialized, registered shares with voting rights, with a nominal value of EUR 0.30 each, payable in cash, with pre-emption rights for the existing shareholders of the Company. Those having pre-emption rights to the Increase will be entitled to acquire New Shares at a ratio of 1.4999665907674 New Shares for each existing share of the Company.

The issue price of the New Shares will be set at Euro fifty eight cents (€ 0.58) per New Share. The Issue Price may be higher than the stock price at the time of the exercise of the pre-emption right.

G. Reasons for the Placement of the Company's shares in the Surveillance Category - Developments and actions of the Company

The placement of the Company's shares in the Surveillance Category took place on 09.07.2020 due to negative equity capitals as revealed by the 2019 annual consolidated financial statements and following the Company's letter no. 2030/03.07.2020, and remains in this category until today. More specifically, for the Fiscal Year 2019 the Group's total equity was -€93.2 million for the Fiscal Year 2020 it was -219.2 million. In view of the above, the Company has designed and is implementing a specific plan to reverse this ratio to a positive sign. More specifically, the restructuring of the Bond Loans, which was completed in August 2021, boosted equity by approximately EUR 163 million. As a result of this action, combined with the other factors affecting them, equity for Fiscal Year 2021 was boosted by approximately EUR 104 million to close at EUR -115.5 million. The relevant index at the end of March 2022 was EUR -122.1m and is expected to return to positive territory with the planned capital increase.

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