

INTRALOT Group

MANAGEMENT'S DISCUSSION & ANALYSIS

**of our financial condition and results of operations
for the period 1/1-31/03/2022**

intralot

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Overview

We are a global leader in the supply of integrated gaming systems and services. We design, develop, operate, and support customized software and hardware for the gaming industry and provide innovative technology and services to state and state licensed lottery and gaming organizations worldwide. Since our establishment more than 20 years ago, we have developed innovative technological and operating know-how and experience, which are central to maintaining our existing customer relationships as well as winning new contracts. Our long-standing relationships with our customers give us valuable insight into their strategic and other business needs. We operate a diversified and stable portfolio in 41 jurisdictions worldwide. Our business activities range from the provision of customized gaming platforms to full management of end-to-end gaming operations either for our own or other licensed operations, depending upon the market in which we operate. In the twelve months period (LTM) ended March 31, 2022, we had revenue of €414,1 million and EBITDA of €111,7 million on continuing basis for entities that we consolidate, though we have minority ownership in some of such subsidiaries. In addition, in the twelve months ended March 31, 2022, our revenue from Greece, Rest of Europe, the Americas and the Rest of the World represented 1,7%, 31,5%, 52,4% and 14,4% of total revenue, respectively.

Results of Operations of the INTRALOT Group

Comparison of the three months period ended March 31, 2021 with the three months period ended March 31, 2022

Overview

Income Statement Information (€ in million)	Three months ended March 31,		% change
	2021	2022	
Revenue	97,6	97,7	0,1%
Less: Cost of sales	-72,0	-72,5	0,7%
Gross profit	25,6	25,2	-1,6%
Other operating income	5,5	5,7	3,2%
Selling expenses	-6,6	-4,7	-29,0%
Administrative expenses	-14,7	-16,6	13,4%
Research and development expenses	-0,5	-0,4	-20,0%
Reorganization expenses	-5,0	-0,3	-94,0%
Other operating expenses	-0,4	-0,2	-50,0%
EBIT	3,9	8,7	120,8%
EBITDA	24,9	26,1	4,9%
Income/(expenses) from participations and investments	1,1	-0,4	n/a
Gain/(loss) from assets disposal, impairment, and write-off	0,0	0,6	n/a
Interest and similar expenses	-12,2	-10,3	-15,6%
Interest and related income	0,4	0,5	25,0%
Exchange differences	3,7	-0,5	n/a
Profit/(loss) equity method consolidation	0,1	0,1	-
Gain/(loss) on net monetary position	0,1	-1,0	n/a
Operating profit/(loss) before tax	-2,8	-2,3	17,5%
Less: taxes	-2,1	-2,6	23,8%
Net profit/(loss) from continuing operations (a)	-4,9	-5,0	-
Net Profit / (loss) from discontinued operations (b) ¹	-1,5	0,0	n/a

Net Profit /(Loss) after taxes (Continuing and Discontinued Operations) (a) + (b)	-6,4	-5,0	21,9%
Attributable to:			
Equity holders of parent			
-Profit/(loss) from continuing operations	-6,9	-5,7	17,9%
-Profit/(loss) from discontinued operations ¹	-1,3	0,0	n/a
	-8,2	-5,7	31,4%
Non-Controlling Interest			
-Profit/(loss) from continuing operations	1,9	0,7	-63,1%
-Profit/(loss) from discontinued operations ¹	-0,1	0,0	n/a
	1,8	0,7	-61,1%

¹ The activities of Group subsidiaries and associates in Brazil (Intralot do Brazil Ltda, OLTP Ltda) and Peru (Intralot de Peru SAC) are presented as discontinued operations pursuant to IFRS 5.

Note:

Due to rounding, numbers presented throughout this and other documents may not add up precisely to the totals.

Sales Overview

Total revenue increased by €0,1 million, or 0,1%, from €97,6 million in the three months period ended March 31, 2021 to €97,7 million in the three months period ended March 31, 2022.

Revenue by Business Activity

The following table sets forth our revenue for each business activity for the twelve months period ended March 31, 2021 and 2022.

Revenue by Business Activity (€ in million)	three months period ended March 31,		% change
	2021	2022	
Licensed operations	29,8	31,6	6,1%
Management contracts	13,4	10,9	-18,3%
Technology and support services	54,4	55,1	1,3%
Total	97,6	97,7	0,1%

Revenue in our **Licensed Operations** activity line increased by €1,8 million, or 6,1%, from €29,8 million in the three months period ended March 31, 2021 to €31,6 million in the three months period ended March 31, 2022. The variance is attributed to the higher revenue in Argentina (€+2,5m or +32,0% y-o-y), driven by local market growth (in local currency, current year results posted a +50,4% y-o-y increase), and the lower revenue in Malta (€-0,6m or -2,9% y-o-y), following the local market performance.

Revenue in our **Management Contracts** activity line decreased by €2,4 million, or 18,3%, from €13,4 million in the three months period ended March 31, 2021 to €10,9 million in the three months period ended March 31, 2022. Although Morocco (€+0,1m) and US Sports Betting contracts in Montana and Washington D.C. (€+0,1m) exhibited a steady revenue trajectory, the revenue from our Turkish operations was affected strongly from the appreciation of EUR (+75,8% versus a year ago – in average terms) and ended lower by €2,6m. In local currency, 1Q22 results posted a +20,4% y-o-y increase, while the Turkish local Sports Betting market expanded close to 1,3 times y-o-y, with the online segment representing close to 89% of the market at the end of 1Q22.

Revenue in our **Technology and Support Services** activity line increased by €0,7m, or 1,3%, from €54,4 million in the three months period ended March 31, 2021 to €55,1 million in the three months period ended March 31, 2022. The increase is attributed to the higher revenue in Australia (€+1,1m or +30,6% y-o-y), due to lockdown restrictions in 1Q21, higher revenue in Croatia (€+0,9m), following the go-live of the lottery solution developed for Hrvatska Lutrija (national lottery of Croatia), and higher revenue from other jurisdictions (€+0,5m) mainly due to services related sales. On a negative ground, US operations generated lower revenue (€-1,9m or -5,1% y-o-y) since no jackpot occurred in 1Q22 (vs 1Q21 that boosted sales by c. €4,0m). Revenue from services ended lower by -3,4% y-o-y, while revenue from merchandise sales generated a deficit of -55,4% y-o-y due to their less frequent nature. From a currency perspective, there was a negative impact of 6,9% (Euro depreciation versus a year ago — in average terms).

Gross Gaming Revenue (GGR) by Business Activity

The following table sets forth our Gross Gaming Revenue for each business activity for the three months period ended March 31, 2021 and 2022.

GGR by Business Activity (€ in million)	three months period ended March 31,		% change
	2021	2022	
Licensed operations	11,1	13,8	23,9%
Management contracts	13,4	10,9	-18,3%
Technology and support services	54,4	55,1	1,3%
Total	78,9	79,8	1,2%

Gross Gaming Revenue (GGR) from continuing operations increased by 1,2% (from €78,9 million to €79,8 million) year over year, attributable to: a) the decrease in the non-payout related GGR (-1,7% y-o-y or €-1,2m vs. 1Q21) as a result of the lower top line contribution from our US operations (jackpot affected), and b) the increase in the payout related GGR (+20,2% y-o-y or €+2,1m vs. 1Q21), driven mainly by the lower average payout ratio both in Malta and Argentina (+4,3% y-o-y on wagers from licensed operations). 1Q22 Average Payout Ratio decreased by 5,4pps vs. 1Q21 (58,9% vs. 64,4%), significantly affected by the higher weighted contribution from our operations in Malta.

Gross Profit Margin

The Gross profit margin in the three months period ended March 31, 2022 was 25,8%, from 26,2% in the three months period ended March 31, 2021.

Other Operating Income

Other operating income increased by €0,2 million, or 3,2%, from €5,5 million in the three months period ended March 31, 2021 to €5,7 million in the three months period ended March 31, 2022. The bulk of income is driven by the equipment leases in the USA.

Selling Expenses

Selling expenses decreased by €1,9 million, or 29,0% from €6,6 million in the three months period ended March 31, 2021 to €4,7 million in the three months period ended March 31, 2022. This decrease was driven by the lower costs in Turkey (Bilyoner) and USA.

Administrative Expenses

Administrative expenses increased by €2,0 million, or 13,4%, from €14,7 million in the three months period ended March 31, 2021 to €16,6 million in the three months period ended March 31, 2022. This increase is mainly attributed to increased costs in the US, that are partially offset by cost reductions in HQ.

Research and Development Expenses

Research and development expenses decreased by 0,1 million or 8,6%, from €0,5 million in the three months period ended March 31, 2021 to €0,4 million in the three months period ended March 31, 2022.

Reorganization expenses

Reorganization expenses of €0,3 million in the three months period ended March 31, 2022 and €5,0 million in the three months period ended March 31, 2021, refer to advisors' fees regarding the 2021 and 2024 Bonds restructuring that took place in 2021.

Other Operating Expenses

Other operating expenses decreased by 0,3 million, from €0,4 million in the three months period ended March 31, 2021 to €0,1 million in the three months period ended March 31, 2022.

EBITDA

EBITDA from continuing operations amounted to €26,1m in 1Q22, posting an increase of 4.9% (or €+1.2m) compared to 1Q21. Despite the absence of jackpot that boosted significantly 1Q21 performance (US operations), the Group has managed to improve its EBITDA via the combined effect of the lower payout from our licensed operations and the lower Operating Expenses.

Income/ (expenses) from participations and investments

Income/ (expenses) from participations and investments came up to net expense of €0,4 million in the three months period ended March 31, 2022 from net income of €1,1 million in the three months period ended March 31, 2021. This decrease is mainly due to the increased net gains from investments disposals in the first quarter of 2021.

Gain/ (loss) from assets disposal, impairment loss & write-off of assets

Gain/ (loss) from assets disposal, impairment loss & write-off of assets came up to net gain of €0,6 million in the three months period ended March 31, 2022 mainly of income from reversed impairments of tangible assets of Intralot SA.

Interest and Similar Expenses

Interest and similar expenses decreased by €1,9 million, or 15,6%, from €12,2 million in the three months period ended March 31, 2021 to €10,3 million in the three months period ended March 31, 2022. This decrease was mainly affected by the lower interest costs in 2022 (debt restructuring effect).

Interest and Related Income

No material change in interest and related income versus the previous period. Specifically, in the period 1/1-31/3/2021 the corresponding amount was €0,4 million, in contrast to €0.5 million in the current period 1/1-31/3/2022.

Exchange Differences

The negative impact from FX results (€-4.2m vs 1Q21), is attributed to the valuation of cash balances in foreign currency other than the functional currency of each entity, the valuation of commercial and borrowing liabilities of various subsidiaries abroad in EUR, as well as the negative effect from the reclassification of FX reserves to Income Statement applying IFRS 10,

Profit/ (loss) from equity method consolidation

Consolidation of associates and joint ventures through the equity method remained unchanged, exhibiting, a profit of €0,1 million (mainly deriving by the Group's associates in Asia).

Operating Profit/(Loss) before Tax

As a result of the above and due to exchange differences that resulted to a loss of €0,5 million in the three months period ended March 31, 2022 compared to a gain of €3,7 million in the three months period ended March 31, 2021, operating loss before tax improved by €0,5 million from a loss of €2,8 million in the three months period ended March 31, 2021, to a loss of €2,3 million in the three months period ended March 31, 2022.

Taxes

Taxes in the three months period ended March 31, 2022 amounted to expense €2,6 million, versus expense €2,2 million in the three months period ended March 31, 2021.

Net Profit/(Loss) from Continuing Operations (a)

As a result of the above, net loss from continuing operations ended at the same level with the previous period at €4,9 million.

Net Profit/(Loss) from Discontinued Operations (b)

Our discontinued operations, in Brazil (Intralot do Brazil Ltda, OLTP Ltda) and Peru (Intralot de Peru SAC) resulted in a loss of €1,5 million only in the three months period ended March 31,2021. There are no discontinued operations in the three months period ended March 31,1022.

Analysis of discontinued operations:

• Peru

On February 2021 INTRALOT announced that it has reached a binding agreement with Nexus Group in Peru to sell its entire stake of 20% in Intralot de Peru SA, an associate of INTRALOT Group, which is consolidated through the Equity method, for a cash consideration of \$21 million (twenty-one million USD). In addition, the Company has signed a three-year extension of its current contract with Intralot de Peru SA through 2024, to continue to provide its gaming technology and support services. From 31/12/2020 the above activities of the Group in Peru were classified as discontinued operations pursuant to IFRS 5 par.8. Meanwhile, the Group's investment in Intralot de Peru SAC was classified as at 31/12/2020 to "Assets held for sale". The above transaction was completed within February 2021 and the net price after taxes and transaction costs amounted to \$16,2 million (€13,3 million).

Below are presented the results of the Group's discontinued operations in Peru (Intralot de Peru SAC) for the periods 1/1-31/12/2020 and 1/1-31/1/2021 (in 2021 was consolidated through equity method until 31/1/2021):

	1/1-31/1/2021
Gains / (losses) from consolidations under the equity method	0,1
Profit / (loss) before taxes	0,1
Income Tax	0,0
	0,1
Gain/(loss) from disposal of discontinued operations	1,1
Corresponding tax	-1,3
Expenses and exchange differences occurred from sale	-0,2
Reclassification of exchange differences reserve to Income Statement	-0,6
Profit/(loss) after tax from discontinued operations	-0,9
Attributable to:	
Equity holders of parent	-0,9
Non-Controlling Interest	0,0

• Brazil

On May 14, 2021, INTRALOT announced that it has reached a binding agreement with "SAGA CONSULTORIA E REPRESENTAÇÕES COMERCIAIS E EMPRESARIAIS" ("SAGA") in Brazil to sell its entire stake in "Intralot do Brasil Comércio de Equipamentos e Programas de Computador LTDA" ("Intralot do Brasil"), representing 80% of the company's voting capital. SAGA is the only other shareholder of Intralot do Brasil holding 20% of the company. INTRALOT will continue to provide its gaming technology to Intralot do Brasil following closing of the transaction. The total cash consideration for the stake sale amounts to EUR 700 thousand (seven hundred thousand EUR). Intralot do Brasil owes by 100% OLTP subsidiary. The above consideration was paid within the second half of 2021.

Below are presented the results of the Group's discontinued operations in Brazil (Intralot do Brazil Ltda and OLTP Ltda) for the period 1/1-30/9/2020 and 1/1-31/3/2021 (in 2021 were consolidated through full consolidation method until 31/5/2021).

	1/1-31/3/2021
Sale proceeds	4,4
Expenses	-4,4
Other Operating Income	0,0
Other Operating Expenses	-0,6
EBITDA	-0,5
EBIT	-0,6
Income/(expenses) from participations and investments	-7,3
Corresponding tax	0,0
Reclassification of exchange differences reserve to Income Statement	0,1
Profit/(loss) after tax from discontinued operations	-7,3
Attributable to:	
Equity holders of parent	-7,2
Non-Controlling Interest	-0,1

Net Profit/(Loss) from Continuing and Discontinued Operations (a) + (b)

As a result of the above, net gain/loss from total operations (continuing and discontinued) improved by €1,4 million, from a loss of €6,4 million in the three months period ended March 31, 2021 to a loss of €5,0 million in the three months period ended March 31, 2022.

Net Income Attributable to Owners of the Parent

After deducting non-controlling interests, total operations net gain/loss attributable to the owners of the parent improved by €2,5 million, from a loss of €8,2 million in the three months period ended March 31, 2021 to a loss of €5,7 million in the three months period ended March 31, 2022.

Net gain/loss from continuing operations attributable to the owners of the parent improved by €1,2 million, from a loss of €6,9 million in the three months period ended March 31, 2021 to a loss of €5,7 million in the three months period ended March 31, 2022.

Net Cash Flows from Total Operations (continuing and discontinued)

Cash Flow Statement (€ in million)	three months period ended March 31,	
	2021	2022
Operating activities		
Profit / (loss) before tax from continuing operations	-2,8	-2,3
Profit / (loss) before tax from discontinued operations	-0,2	0,0
Profit / (loss) before Taxation	-3,0	-2,3
Plus / Less adjustments for:		
Depreciation and Amortization	16,0	17,1
Provisions	1,0	-0,7
Results (income, expenses, gain and loss) from Investing Activities	-5,5	-0,1
Interest and similar expenses	12,2	10,3
Interest and similar Income	-0,4	-0,5
(Gain) / loss on net monetary position	-0,1	1,1
Reorganization expenses	5,0	0,3
Plus / Less adjustments for changes in working capital:		
Decrease / (increase) of Inventories	-1,3	-2,3
Decrease / (increase) of Receivable Accounts	13,6	5,8
(Decrease) / increase of Payable Accounts (except Banks)	-19,7	-10,5
Income Tax Paid	6,7	-0,8
Total inflows / (outflows) from operating activities (a)	24,5	17,3
Investing Activities		
(Purchases) / Sales of subsidiaries, associates, joint ventures and other investments	10,1	-0,3
Purchases of tangible and intangible assets	-2,9	-4,3
Interest received	0,3	0,7
Total inflows / (outflows) from investing activities (b)	7,5	-3,9
Financing Activities		
Proceeds from loans	0,0	0,0
Repayment of loans	-11,2	-0,4
Repayments of lease liabilities	-1,4	-0,8
Interest and similar expenses paid	-21,4	-19,3
Dividends paid	-5,1	-2,0
Reorganization expenses paid	-2,9	-0,1
Total inflows / (outflows) from financing activities (c)	-42,1	-22,7
Net increase / (decrease) in cash and cash equivalents for the period (a) + (b) + (c)	-10,0	-9,3
Cash and cash equivalents at the beginning of the period	100,0	107,3
Net foreign exchange difference	0,6	0,0
Cash and cash equivalents at the end of the period from total operations	90,6	98,0

Net Cash from Operating Activities

Net cash from operating activities comprises net profit before tax adjusted for working capital, cash taxes as well as certain non-cash items such as provisions and depreciation.

Operating cash flow in 1Q22 amounted to €17,3m, lower by €7,3m, compared to 1Q21. Excluding the operating cash-flow contribution of our discontinued operations in Brazil, the cash-flow from operating activities is lower by €7,0m vs. a year ago and is attributed to Income Tax payments vs returns 1Q21. This decrease was primarily driven by the following:

- Loss before taxation from total operations (continuing and discontinued) improved by €0,6million, from a loss of €3,0 million in the three months period ended March 31, 2021 to a loss of €2,3 million in the three months period ended March 31, 2022,
- Depreciation and amortization from total operations increased by 6,6% from €16,0 million in the three months period ended March 31, 2021 to €17,1 million in the three months period ended March 31, 2022.
- The effect of provisions on cash flow, was positive €1,0 million in the three months period ended March 31, 2021, to a negative effect of €0,7 million in the three months period ended March 31, 2022, mainly due to the doubtful provisions of receivables in 2021, versus income from reversed impairment of tangible assets of Intralot SA in 2022.
- The effect of results from investing activities on cash flow was negative €5,4 million in the three months period ended March 31, 2021, versus a negative effect of €0,1 million in the three months period ended March 31, 2022, mainly to the higher net FX loss (€3,3 million y-o-y) in 2021, the higher (€0,9 million y-o-y) net loss from investments disposals in 2021, the higher (€1,0 million y-o-y) dividend income in 2021, and the higher (€+0,2 million y-o-y) losses from associates in 2021;
- Net interest expenses in the three months period ended March 31, 2022 was €9,7 million (3M21: €11,8 million);
- Reorganization expenses accrued in the three months period ended March 31, 2022 was €0,3 million (3M21: €5,0 million);
- Changes in our working capital, which led to a cash outflow of €7,0 million in the three months period ended March 31, 2022, compared with a cash outflow of €7,5 million in the three months period ended March 31, 2021;
 - › In particular, there was an increase of €2,3 million in inventories in the three months period ended March 31, 2022, compared to an increase of €1,3 million in the three months period ended March 31, 2021, mainly due to the timing of roll out of new the projects under construction;
 - › also, there was a decrease of €5,8 million in receivables in the three months period ended March 31, 2022, compared to a decrease of €13,6 million in the three months period ended March 31, 2021 mainly due to the invoicing of Morocco in 2021;
 - › also, there was a decrease of €10,5 million in payables towards our suppliers in the three months period ended March 31, 2022 compared to a decrease of €19,7 million in the three months period ended March 31, 2021, mainly due to the timing of payments in various projects; and
 - › There was a receipt from income tax of €6,7 million in the three months period ended March 31, 2021 (deriving from appeals won by Intralot SA), versus payments of €0,8 million in the three months period ended March 31, 2022.

Net Cash from Investing Activities

Cash flow from investing activities generally consists of cash outflows for investments in tangible and intangible assets as well as interest and dividends received.

In the three months period ended March 31, 2022, net cash outflows from investing activities were €3,9 million, which was a decrease of €11,4 million, from net inflows of €7,5 million in the three months period ended March 31, 2021. This decrease is mainly attributable to the net outflows of €0,3 million for (Purchases)/ Sales of subsidiaries, associates, joint ventures and other investments in the three months period ended March 31, 2022 versus net inflows €10,1 million in the three months period ended March 21, 2021 (direct effect of Intralot de Peru disposal), the higher outflow of €1,4 million in the three months period ended March 31, 2022 for net capital expenditure, and the higher inflow of €0,4 million in the three months period ended March 31, 2022 for interest received from bank deposits and trade receivables.

Our capital expenditure in the three months period ended March 31, 2022 reached €4,3 million while in the three months period ended March 31, 2021 reached €2,9 million. The €4,3 million had been allocated towards R&D and project pipeline delivery (€0,3 million), US (€3,0 million) and the rest of operations (€1,0 million). Maintenance capex accounted for €2,2 million, or 52,0% of the overall capital expenditure in the three months period ended March 31, 2022, from €0,8 million or 28,2% in the three months period ended March 31, 2021.

Net Cash from Financing Activities

Net cash from financing activities comprises net cash proceeds from financing arrangements as well as payment of cash interest and the payment of dividends to our shareholders or to minority interests.

In the three months period ended March 31, 2022, net cash outflows from financing activities were €22,7 million, compared to net cash outflows of €42,1 million in the three months period ended March 31, 2021. This decrease of net cash outflows from financing activities consisted of €11,4 million y-o-y inflow in net cash flows from financing arrangements (mainly due to the net outflow of €11,2 million of Intralot Global Holdings BV revolving facility due to repayment in 2021), lower interest payments by €2,1 million in the three months period ended March 31, 2022, lower dividends distribution to minority interests

by €3,1 million in the three months period ended March 31, 2022, and lower payments towards capital restructuring expenses by €2,8 million in the three months period ended March 31, 2022.

Cash & Cash Equivalents

The following table sets forth our Cash & Cash Equivalents as of December 31, 2021 and March 31, 2022.

Cash & Cash Equivalents (€ in million)	December 31, 2021	March 31, 2022	% change
Partnerships ¹	9,7	8,1	-15,9%
All other Operating Entities (with revenue contracts) & HQ	97,7	89,9	-8,0%
Total	107,3	98,0	-8,7%

¹ As Partnerships we define our Operations in Turkey and Argentina

Cash and cash equivalents at the end of the 1Q22 period decreased by €9,3 million vs. FY21. Of the Cash & Cash Equivalents as of March 31, 2022, €8,1 million are located in our partnerships, and the rest across all other Operating entities and HQ, with an amount close to €25,0 million allotted as Working Capital in the operating entities.

Proportionate & Pro Forma Results of Operations of the INTRALOT Group

Proportionate Financial Metrics

Pro-Forma comparison of selected Proportionate Financial Metrics for the three months period ended March 31, 2021 with the three months period ended March 31, 2022.

Proportionate Financial Metrics ¹ – Pro Forma (€ in million)	three months period ended March 31,		% change
	2021	2022	
Proportionate Revenue	80,8	68,7	-14,9%
Proportionate GGR	68,1	56,9	-16,5%
Proportionate EBITDA	21,0	17,4	-17,4%
Proportionate Gross Debt	733,7	515,1	-
Proportionate Cash & Cash Equivalents	81,9	75,7	-

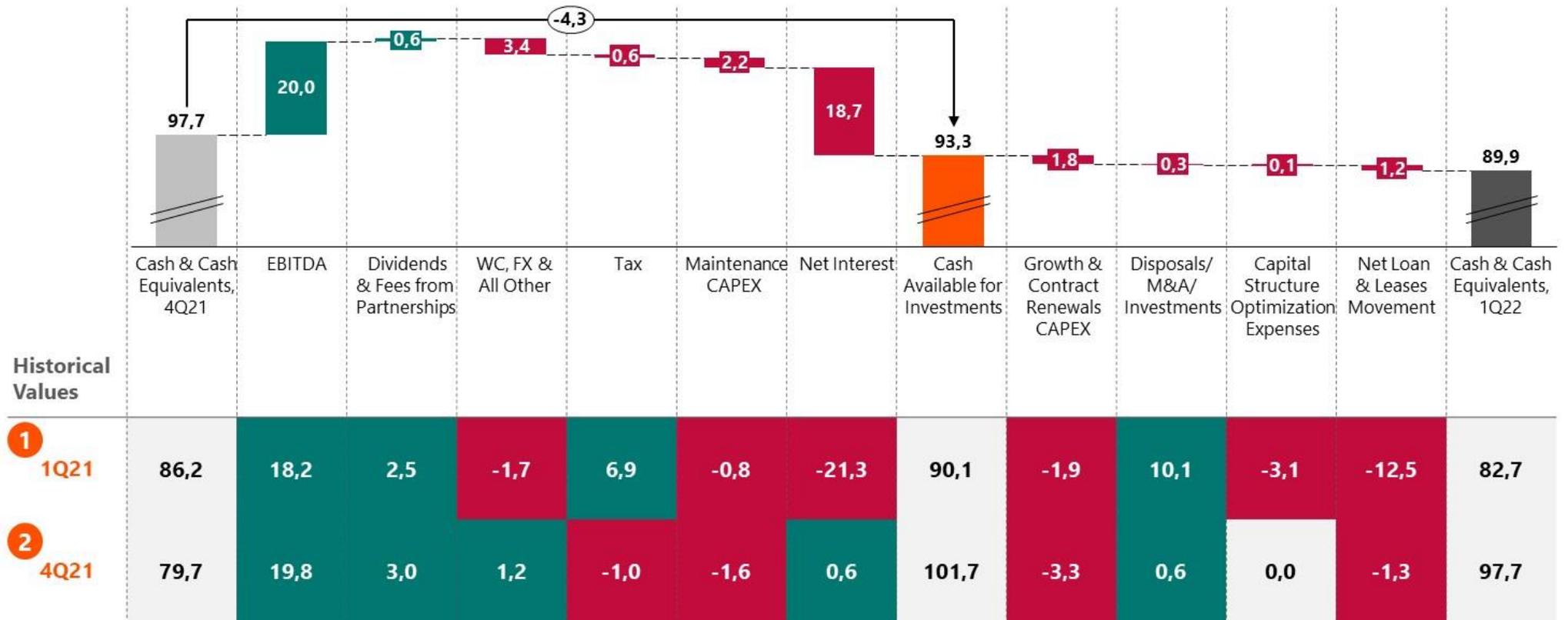
¹ The activities of Group subsidiaries and associates in Brazil (Intralot do Brazil Ltda and OLTP Ltda) and Peru (Intralot de Peru SAC) are presented as discontinued operations pursuant to IFRS 5.

Pro-Forma Cash Flow – Shareholders of the Parent View (1/2)

The following chart portrays the Shareholders of the Parent View of the Cash Flow Movement (Pro-Forma) for the three-month period ended March 31, 2022, as well as the historical values of 1Q21 and 4Q21.

Pro-Forma Cash Flow – Shareholders of the Parent View, 1Q22

€m



The main variance (YoY and QoQ) drivers are described in the table below:

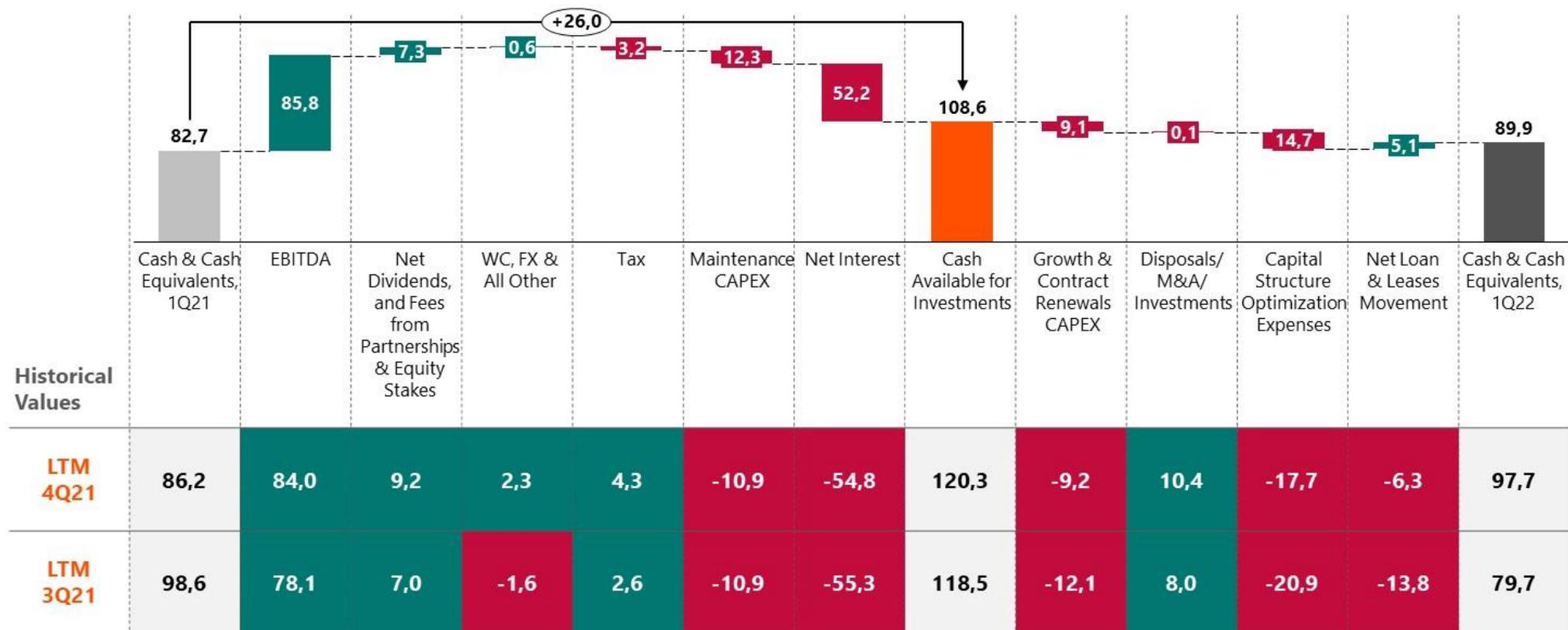
Shareholders of the Parent View	YoY Variances Explained 1	QoQ Variances Explained 2
EBITDA	<ul style="list-style-type: none"> EBITDA positive variance driven primarily by cost savings initiatives in HQ, COVID-19 impact in 1Q21 and lower payout from our licensed operations that fully mitigated the jackpot effect in 1Q21 performance (US operations) 	<ul style="list-style-type: none"> Steady performance with prior quarter
Net Dividends, and Fees from Partnerships	<ul style="list-style-type: none"> Negative variance from Bilyoner dividends in 1Q21 	<ul style="list-style-type: none"> Negative variance due to Bilyoner contribution and Malta's dividend distribution towards our partner coupled with related tax return (4Q21 distribution)
WC, FX & All Other	<ul style="list-style-type: none"> Negative variance vs. 1Q21 driven mainly by inventories movement. 	<ul style="list-style-type: none"> WC swing vs. 4Q21 driven mainly timing in payables movement
Tax	<ul style="list-style-type: none"> Negative variance due to Parent company tax returns in the previous year 	<ul style="list-style-type: none"> On par with prior 4Q21
Maintenance CAPEX	<ul style="list-style-type: none"> Higher Maintenance CAPEX outflows vs. previous year, mainly towards the US 	<ul style="list-style-type: none"> Increased Maintenance CAPEX outflows vs. previous Q
Net Interest	<ul style="list-style-type: none"> Lower interest payments as a result of the recent debt restructuring 	<ul style="list-style-type: none"> Variance stemming from coupon payments in 1Q22
Growth & Contract Renewals CAPEX	<ul style="list-style-type: none"> On par with LY 	<ul style="list-style-type: none"> Lower capex in 1Q22 mainly driven by HQ, Morocco and Croatia outflows
Disposals/ M&A/ Investments	<ul style="list-style-type: none"> Negative variance mainly reflects Peru disposal in 1Q21 	<ul style="list-style-type: none"> Negative variance due to Brazil sale inflows in prior quarter
Capital Structure Optimization Expenses	<ul style="list-style-type: none"> Outflows in 1Q21 	<ul style="list-style-type: none"> No outflows
Net Loan & Leases Movement	<ul style="list-style-type: none"> Positive variance driven by repayment of revolving facility in 1Q21 	<ul style="list-style-type: none"> On par with prior 4Q21

Pro-Forma Cash Flow – Shareholders of the Parent View (2/2)

The following chart portrays the Shareholders of the Parent View of the Cash Flow Movement (Pro-Forma) for the last twelve months ended March 31, 2022, as well as the historical values of LTM 4Q21 and LTM 3Q21.

Pro-Forma Cash Flow – Shareholders of the Parent View, LTM 1Q22

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Major Contracts Overview & Update

Overview & LTM Contribution

Selected Entities/ Projects contribution in the twelve months ended March 31, 2022 after Intragroup eliminations.

Entity/ Project/ Description	Partnership	Contract type	Revenue Contribution	GGR Contribution	GP Contribution	EBITDA Contribution	Contract Expiry (w/o Renewals) ³
 12 Technology Contracts with State Lotteries ¹	DC only	Technology	37%	45%	39%	62%	2030
 12 Technology Contracts with State Lotteries and 1 Licensed Operation	Yes	Technology/ Licensed Operations	14%	11%	14%	13%	2027
 2 VLT Monitoring Contracts and 1 Technology Contract ²		Technology	5%	6%	16%	12%	2027
 Bilyoner	Yes	Management Contracts	6%	7%	17%	10%	2029
 Intralot Maroc		Management Contract	3%	4%	10%	3%	2023
 Maltco		Licensed Operations	23%	11%	10%	12%	2022
Subtotal (% of LTM 1Q22)			88%	85%	105%	113%	
LTM 1Q22 (in million €)			414,1	336,2	119,0	111,7	

¹ USA figures include also the Philippines and BCLC projects contribution.

² New Zealand Monitoring ends in 2025 while that in Victoria (Australia) ends in 2027; the Lottery West contract ends in 2022 (without considering extension options).

³ If multiple contracts exist, the one with the longest maturity is displayed (without considering extension options).

Headquarters in Greece

Cost & Effort Allocation

In Greece, we provide technology support and support services for the operation of private gaming and the lottery through INTRALOT S.A., our parent company. Originally incorporated in Athens in 1992, we won our first domestic contract in 1993. We currently operate three contracts in Greece.

As the center of our Global operations, Greece is also home to our betting-trading center that controls our global fixed-odds betting activity, and significant research and development programs (Technology Hub), as well as our corporate headquarters which supports the wider INTRALOT ecosystem, employing approx. 440 employees at the end of March 31, 2022. As such, INTRALOT S.A. expenses serve the different projects, including among others the Greek projects, but the majority of the effort is distributed towards servicing and supporting the pipeline of won and upcoming contracts, as well as supporting INTRALOT's subsidiaries and R&D efforts.