INTRALOT Group

MANAGEMENT'S DISCUSSION & ANALYSIS

of our financial condition and results of operations for the period 1/1-31/03/2019

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 48 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 ended March 31, 2019, we had revenue of €766,3 million and EBITDA of €112,2 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, 2019, our revenue from Turkey, Greece, Rest of Europe, the Americas and the Rest of the World represented 6,9%, 2,4%, 59,4%, 24,1% and 7,2% of total revenue, respectively.

Results of Operations of the INTRALOT Group

Comparison of the three months period ended March 31, 2018 with the three months period ended March 31, 2019

Overview

Income Statement Information (€ in millions) (unaudited)	three months ended March 31, 2018	three months ended March 31, 2019	% change
Revenue	210,7	192,7	-8,5%
Less: Cost of sales	-163,9	-152,9	-6,7%
Gross profit	**46,8**	**39,8**	**-15,0%**
Other operating income	3,4	4,9	44,1%
Selling expenses	-9,3	-10,8	16,1%
Administrative expenses	-17,2	-19,9	15,7%
Research and development expenses	-1,5	-1,1	-26,7%
Other operating expenses	-0,4	-0,6	50,0%
EBIT	**21,8**	**12,3**	**-43,6%**
EBITDA	**37,3**	**31,8**	**-14,7%**
Income/(expenses) from participations and investments	1,0	0,0	n/a
Gain/(loss) from assets disposal, impairment and write-off	-0,1	-2,3	n/a
Interest and similar expenses	-12,9	-13,2	2,3%
Interest and related income	1,8	2,2	22,2%
Exchange differences	-2,5	3,7	n/a
Profit/(loss) equity method consolidation	-0,8	1,6	n/a
Gain/(loss) on net monetary position	0,0	0,2	n/a
Operating profit/(loss) before tax	**8,3**	**4,5**	**-45,8%**
Less: taxes	-6,3	-6,0	-4,8%
Net profit/(loss) from continuing operations (a)	**2,0**	**-1,5**	**n/a**
Net Profit / (loss) from Discontinued Operations (b) [1]	2,5	-1,4	n/a

Net Profit /(Loss) after taxes (Continuing and Discontinued Operations) (a) + (b)	4,5	-2,9	n/a
Attributable to:			
Equity holders of parent			
-Profit/(loss) from continuing operations	-6,7	-10,8	-61,2%
-Profit/(loss) from discontinued operations [1]	0,7	-1,4	n/a
	-6,0	**-12,2**	**-103,3%**
Non-Controlling Interest			
-Profit/(loss) from continuing operations	8,7	9,3	6,9%
-Profit/(loss) from discontinued operations [1]	1,8	0,0	n/a
	10,5	**9,3**	**-11,4%**

¹ The activities of Group subsidiaries Azerinteltek AS (Azerbaijan) and Totolotek SA (Poland) are presented as discontinued operations pursuant to IFRS 5.

² Group's 2018 comparative figures of "Sale Proceeds", "Cost of Sales", "Gross Profit / (Loss)" and "Selling Expenses" are reclassified pursuant to IFRS 15.

Sales Overview

Total revenue decreased by €18,0 million, or 8,5%, from €210,7 million in the three months period ended March 31, 2018 to €192,7 million in the three months period ended March 31, 2019. This decrease was mainly driven by decreased revenue in licensed operations segment.

Revenue by Business Activity

The following table sets forth our revenue for each business activity for the three months period ended March 31, 2019 and 2018.

Revenue by Business Activity (€ in millions) (unaudited)	three months ended March 31, 2018	three months ended March 31, 2019	% change
Licensed operations	131,7	119,1	-9,6%
Management contracts	27,2	24,0	-11,9%
Technology and support services	51,8	49,6	-4,2%
Total	**210,7**	**192,7**	**-8,5%**

Revenue in our licensed operations activity line decreased by €12,6 million, or 9,6%, from €131,7 million in the three months period ended March 31, 2018 to €119,1 million in the three months period ended March 31, 2019. The decrease is attributed to **Bulgaria** (€-7,4 million), driven mainly by Virtual Sports performance as a result of the revised payout strategy; sports Betting, Numerical and Racing performance on par with last year, and **Argentina** with lower recorded revenues, in Euro terms, by €5,7 million as a result of the macro environment in the country (application of hyper-inflationary economy reporting standard[1]).

Revenue in our management contracts activity line decreased by €3,2 million, or 11,9%, from €27,2 million in the three months period ended March 31, 2018 to €24,0 million in the three months period ended March 31, 2019. The variance is mainly driven by the deficit, in Euro terms, from our **Turkish** operations (€-2,0 million), where in local currency, 1Q19 revenue showcased a c.+17,0% increase attributed both to the growth of the Sport Betting Market year over year (c.+10,0% in local currency) and the steady shift towards Online Sports Betting (c.64,0% sales mix participation vs. c.60,0% a year ago). Nevertheless, the benefit of the Sports Betting market expansion and mix change has been fully counterbalanced by the devaluation of the local currency (c.30,0% Euro appreciation versus a year ago – in YTD average terms). The deficit was further increased by our discontinued contract in **Russia** (€-0,6 million), and by **Morocco's** performance (€-0,6 million), which was

[1] Argentina 2019 figures have been restated based on IAS 29 (Financial Reporting in Hyperinflationary Economies) so as to reflect current purchasing power. LY figures have not been restated based on IAS 21 (The Effects of Changes in Foreign Exchange Rates). For further information, you may refer to the Interim Financial Report for the period ended 31 March 2019.

mainly impacted by the decreased Numerical sales following the discontinuation of the contract with one of the two lotteries (SGLN)

Revenue in our technology and support services line decreased by €2,2 million, or 4,2%, from €51,8 million in the three months period ended March 31, 2018 to €49,6 million in the three months period ended March 31, 2019. This decrease was mainly due to **Greece** (€-6,2 million) primarily driven by the transition to the new OPAP contract, after July '18, that has a smaller contract value, due to its limited scope (vs. the previous contract), specifically in the field of numerical games, **Argentina's** lower recorded sales in Euro terms (€-2,2 million) as a result of the macro environment in the country (application of hyper-inflationary economy reporting standard[2], partially offset by our **US** operations' increased revenues (€+4,8 million) mainly driven by the contribution of our new contract in Illinois (mid-February launch), and of a Powerball jackpot occurrence in 1Q19, fully absorbing the impact of the South Carolina contract discontinuation. Performance has also been boosted by a favorable USD movement (c.7,3% Euro depreciation versus a year ago — in YTD average terms). Additional improvement came from **Chile's** better performance (€+1,5 million) largely as a result of a significant Lotto jackpot in 1Q19.

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, 2019 and 2018.

GGR by Business Activity (€ in millions) (unaudited)	**three months ended March 31,**		**% change**
	2018	**2019**	
Licensed operations	37,0	35,5	-4,1%
Management contracts	27,2	24,0	-11,8%
Technology and support services	51,8	49,6	-4,2%
Total	**116,0**	**109,1**	**-6,0%**

Gross Gaming Revenue (GGR) from continuing operations decreased by 6,0% (€-6,9 million to €109,1 million) year over year driven by the drop in the non-payout related GGR (€-5,7 million vs. 1Q18), following the top line performance of our Technology & Management contracts, and the decrease in our payout related GGR (-3,5% y-o-y or €-1,2 million), following the lower top line performance of our licensed operations (-9,4% y-o-y on wagers[3]) being in part offset by the decreased YTD average Payout. 1Q19 Average Payout Ratio[4] was down by 1,8pps vs. LY (70,5% vs. 72,3%) primarily due to a decreased weighted contribution from Argentina and Bulgaria (payout and wagers driven for both countries), in part offset by Malta's contribution (mainly wagers driven).

Gross Profit Margin

The Gross profit margin in the three months period ended March 31, 2019 was 20,7%, from 22,2% in the three months period ended March 31, 2018, negatively affected mainly by the worsening margin of the B2B/ B2G contracts compared to the same period a year ago. Overall, Gross Profit decreased by 15,0% (or €-7,0 million) compared to the 1Q18 levels.

Other Operating Income

Other operating income increased by €1,5 million, or 44,1%, from €3,4 million in the three months period ended March 31, 2018 to €4,9 million in the three months period ended March 31, 2019. The major driver of this increase was the higher equipment lease income in USA.

[2] Argentina 2019 figures have been restated based on IAS 29 (Financial Reporting in Hyperinflationary Economies) so as to reflect current purchasing power. LY figures have not been restated based on IAS 21 (The Effects of Changes in Foreign Exchange Rates). For further information, you may refer to the Interim Financial Report for the period ended 31 March 2019.

[3] Licensed Operations Revenue include also a small portion of non-Payout related revenue, i.e. value-added services, which totaled €0,7 million and €1,0 million for 1Q19 and 1Q18 respectively.

[4] Payout ratio calculation excludes the IFRS 15 impact for payments to customers

Selling Expenses

Selling expenses increased by €1,5 million, or 16,1%, from €9,3 million in the three months period ended March 31, 2018 to €10,8 million in the three months period ended March 31, 2019. This increase was primarily due to higher training costs of the retailers' network for the roll out of the Illinois contract in USA, as well as higher advertising costs in Bulgaria.

Administrative Expenses

Administrative expenses increased by €2,7 million, or 15,7%, from €17,2 million in the three months period ended March 31, 2018 to €19,9 million in the three months period ended March 31, 2019. This increase was primarily due to higher costs in USA because of the Illinois contract launch.

Research and Development Expenses

Research and development expenses decreased by 0,4 million or 26,7%, from €1,5 million in the three months period ended March 31, 2018 to €1,1 million in the three months period ended March 31, 2019.

Other Operating Expenses

Other operating expenses increased by €0,2 million, or 50,0%, from €0,4 million in the three months period ended March 31, 2018 to €0,6 million in the three months period ended March 31, 2019. This increase was mainly due to higher provisions for doubtful receivables in Morocco in 2019.

EBITDA

As a result of the above and the FX loss (€4,4 million) from translation to EUR , EBITDA decreased by €5,5 million, or 14,7%, from €37,3 million in the three months period ended March 31, 2018 to €31,8 million in the three months period ended March 31, 2019 while EBITDA margin decreased from 17,7% in the three months period ended March 31, 2018 to 16,5% in the three months period ended March 31, 2019, mainly impacted by the worsening margins of the B2B/ B2G segment, decreasing to 16,5% compared to 17,7% in 1Q18 mainly due to OPAP's new contract scope and the refocus of HQ resources, offset in part by the Illinois contract start.

Income / (expenses) from participations and investments

Income / (expenses) on participations and investments decreased by €1,0 million, from income of €1,0 million in the three months period ended March 31, 2018 to income of €0,0 million in the three months period ended March 31, 2019. This decrease was primarily due to the higher dividend income in 2018.

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

Gain/(loss) from assets disposal, impairment and write-off deteriorated by €2,2 million, from loss of €0,1 million in the three months period ended March 31, 2018 to loss of €2,3 million in the three months period ended March 31, 2019. This deterioration was primarily due to higher assets impairment losses in 2019, mainly because of the goodwill impairment provision (€1,8 million) regarding Inteltek (Turkey).

Interest and Similar Expenses

Interest and similar expenses increased by €0,3 million, or 2,3%, from €12,9 million in the three months period ended March 31, 2018 to €13,2 million in the three months period ended March 31, 2019. This increase was primarily due to the first time application in 2019 of IFRS 16 accounting for lease agreements.

Interest and Related Income

Interest and related income increased by €0,4 million, or 22,2% from €1,8 million in the three months period ended March 31, 2018 to €2,2 million in the three months period ended March 31, 2019, primarily due to higher interest income on bank deposits and debtors in 2019.

Profit/(loss) from equity method consolidation

In the three months period ended March 31, 2019 we had a net profit from equity method consolidation of €1,6 million, compared to a net loss €0,8 million in the three months period ended March 31, 2018, mainly derived from of our associate companies in Italy, Peru and Asia.

Operating Profit before Tax

As a result of the above and due to exchange differences from a loss of €2,5 million in the three months period ended March 31, 2018 to a gain of €3,7 million in the three months period ended March 31, 2019 and increased depreciation and amortization by €4,0 million, operating profit before tax decreased by €3,8 million from a profit of €8,3 million in the three months period ended March 31, 2018 to a profit of €4,5 million in the three months period ended March 31, 2019.

Taxes

Taxes decreased by €0,3 million, or 4,8%, from €6,3 million in the three months period ended March 31, 2018 to €6,0 million in the three months period ended March 31, 2019. This decrease was primarily due to the lower taxable 2019 profits in Greece.

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

As a result of the above, net profit/(loss) from continuing operations decreased by €3,5 million, from a profit of €2,0 million in the three months period ended March 31, 2018 to a loss of €1,5 million in the three months period ended March 31, 2019.

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

Net profit/(loss) from discontinued operations in Azerinteltek AS (Azerbaijan) and Totolotek SA (Poland) decreased by €3,9 million, from a profit of €2,5 million in the three months period ended March 31, 2018 to a loss of €1,4 million in the three months period ended March 31, 2019.

Analysis of discontinued operations:

A) Azerbaijan

The management of the subsidiary Inteltek Internet AS (45%), parent of Azerinteltek AS, decided in mid-February 2018 to investigate the possibility of selling its 51% stake in Azerinteltek AS. At the end of October 2018, Inteltek Internet AS's management decided to sell 51% of Azerinteltek AS shares (nominal value AZN51.000) to Baltech Investment LLC, which owns 24,5% of Azerinteltek AS's share capital. On 15/11/2018 the final Share Purchase Agreement (SPA) was signed for a total consideration of approximately €19,5 million. The transfer of these shares was completed at the end of 2018.
Below are presented the results of discontinued operations of the Group in Azerbaijan for the period 1/1-31/3/2018 (in 2018 it was consolidated with the full consolidation method until 31/12/2018):

	1/1-31/3/2018
Sale proceeds	40,2
EBITDA	**5,7**
Profit/(loss) after tax	**3,2**
Gain/(loss) from disposal of discontinued operations	0,0
Corresponding tax	0,0
Profit/(loss) after tax from discontinued operations	**3,2**
Attributable to:	
Equity holders of parent	1,3
Non-Controlling Interest	1,9

B) Poland

On March 26, 2019 INTRALOT Group announced that it has reached an agreement with Merkur Sportwetten GmbH, a subsidiary of the Gauselmann Group based in Espelkamp, Germany to take over the renowned sports betting company Totolotek SA – an INTRALOT subsidiary in Poland. The share purchase agreement has already been concluded and both parties are now awaiting merger clearance. With this acquisition, the German company will enter the Polish market and thus expand its presence in Europe. Soon Polish sports betting fans will be able to place their bets under the sign of the well-

known MERKUR sun: Merkur Sportwetten GmbH. Totolotek has been firmly established in the Polish sports betting market for over 27 years and is one of the top three omnichannel betting companies in Poland. It markets its wide range of sports betting products through stationary trade at over 260 distribution points as well as online via its website and mobile app. Totolotek currently has 560 employees. Since, 31/3/2019 the Group's above activities in Poland were classified as assets held for sale and discontinued operations pursuant to IFRS 5. The transfer of Totolotek SA shares was completed at the end of April 2019 and the Group consolidated it by 30/4/2019.
The consideration price of €5,0 million, which is estimated to be increased by €3,0 million in case of renewing the already existing on line licenses during 2019, while it may increase further to €2,0 million in case of meeting certain terms and requirements within 2 years.

Below are presented the results of discontinued operations of the Group in Poland (Totolotek SA) for the period 1/1-31/3/2019 (in 2019 it was consolidated with the full consolidation method until 30/4/2019) and respectively for 2018:

	1/1-31/3/2018	1/1-31/3/2019
Sale proceeds	22,5	21,5
EBITDA	**-0,4**	**-1,3**
Profit/(loss) after tax	**-0,7**	**-1,4**
Gain/(loss) from disposal of discontinued operations	0,0	0,0
Corresponding tax	0,0	0,0
Profit/(loss) after tax from discontinued operations	**-0,7**	**-1,4**
Attributable to:		
Equity holders of parent	-0,7	-1,4
Non-Controlling Interest	0,0	0,0

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

As a result of the above, net income from total operations (continuing and discontinued) decreased by €7,4 million, from a profit of €4,5 million in the three months period ended March 31, 2018 to a loss of €2,9 million in the three months period ended March 31, 2019.

Net Income Attributable to Owners of the Parent

After deducting non-controlling interests, total operations net loss attributable to the owners of the parent increased by €6,2 million, from a loss of €6,0 million in the three months period ended March 31, 2018 to a loss of €12,2 million in the three months period ended March 31, 2019.

Net loss from continuing operations attributable to the owners of the parent increased by €4,1 million, from a loss of €6,7 million in the three months period ended March 31, 2018 to a loss of €10,8 million in the three months period ended March 31, 2019.

Net Cash Flows from total operations (continuing and discontinued)

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.

Cash inflows from operating activities decreased by €16,3 million, or 45,4%, from €35,9 million in the three months period ended March 31, 2018 to €19,6 million in the three months period ended March 31, 2019. This decrease was primarily driven by the following:

- profit before taxation from total operations (continuing and discontinued) decreased by €10,1 million, or 76,5%, from €13,2 million in the three months period ended March 31, 2018 to €3,1 million in the three months period ended March 31, 2019, mainly due to the decrease by €6,3 million of profit before taxation from discontinuing operations (profit 4,9 million in the three months period 2018 versus loss €1,4 million in the three months period 2019), as well as due to decrease by €3,8 million of profit before taxation from continued operations as described above;

- depreciation and amortization from total operations increased by 24,8% from €15,7 million in the three months period ended March 31, 2018 to €19,6 million in the three months period ended March 31, 2019, due to increased capital expenditure during the last two years, as well as the IFRS 16 first time application;
- the effect of provisions on cash flow was positive €0,4 million in the three months period ended March 31, 2018 and positive €2,9 million in the three months period ended March 31, 2019, mainly due to 2019 impairment provision of goodwill in subsidiary Inteltek A.S of €1,8 million following the award of the competition, that completed in the first quarter of 2019, to another bidder.
- the effect of results from investing activities on cash flow was positive €2,5 million in the three months period ended March 31, 2018 and negative €5,5 million in the three months period ended March 31, 2019, mainly due to higher (€6,4 million y-o-y) net FX gain in the three months period 2019, as well as higher (€2,5 million y-o-y) net profit from associates, partially set-off by €0,9 million dividend income in the three months period 2018;
- Net interest results remained relatively unchanged in the three months period ended March 2019 (11,1 million).
- changes in our working capital, which led to a cash outflow of €11,4 million in the three months period ended March 31, 2019, compared with a cash outflow of €1,8 million in the three months period ended March 31, 2018;
    - In particular, there was a decrease of €0,8 million in inventories in the three months period ended March 31, 2019, compared to an increase of €4,4 million in the three months period ended March 31, 2018, mainly due to the roll out of new the projects under construction in America segment in 2019.
    - also, there was an increase of €9,0 million in receivables in the three months period ended March 31, 2019, compared to a decrease of €6,8 million in the three months period ended March 31, 2087, mainly due to the timing of revenue receipts in various projects.
    - also, there was a decrease of €3,2 million in payables towards our suppliers in the three months period ended March 31, 2019 compared to a decrease of €4,2 million in the three months period ended March 31, 2018, mainly due to the timing of suppliers payments in various projects ; and
    - income tax paid decreased by from €5,3 million in the three months period ended March 31, 2018 to €0,0 million in the three months period ended March 31, 2019, mainly due to the positive effect of discontinued operations in Azerbaijan.

On a pro-forma basis, i.e., excluding the operating cash-flow contribution of our discontinued operations in Azerbaijan, and Poland, there is a decrease of €11,9m in Cash inflows from operating activities (€20,7m in 3M19 vs. €32,6m in 3M18 pro-forma).

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, 2019, net cash outflows from investing activities was €14,8 million, which was a decrease of €4,5 million, or 23,3%, from outflows of €19,3 million in the three months period ended March 31, 2018. This decrease is mainly attributable to higher net outflow of €7,4 million for (Purchases)/Sales of subsidiaries, associates, joint ventures and other investments in the three months period ended March 31, 2018 (due to the outflow for the indirect investment of €6,8 million in Hellenic Casino Parnitha), higher outflow of €3,2 million in 2019 for net capital expenditure and higher inflow of €0,3 million in 2019 for interest received from bank deposits and debtors.

Our capital expenditure in the three months period ended March 31, 2019 reached €17,4 million while in the three months period ended March 31, 2018 reached €14,8 million. Major capital expenditure items in the three months period ended March 31, 2019 include investments in R&D of €2,5 million, investments in our business in USA €12,0 million mainly towards the Illinois new contract, Ohio and Arkansas contracts' renewals, as well in Turkey €0,4 million.

Maintenance capital expenditure during the three months period ended period March 31, 2019 was €3,1 million in comparison to €5,8 million in the three months period ended March 31, 2018 (excluding discontinued operations in Azerbaijan and Totolotek).

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, 2019, net cash outflows from financing activities was €32,9 million, compared to net cash outflows of €26,3 million in the three months period ended March 31, 2018. This increase of net cash outflows from financing activities consisted of €13,6 million outflow in net cash flows from financing arrangements (mainly due to the net outflow of €22,5 million of Intralot Finance UK Ltd syndicated/term loans because of the €15,0 million drawdown in 1Q18 vs the repayment of €7,5 million in 1Q19, the net inflow of €8,9 million of local facilities and leasing arrangements mainly in USA and Poland), lower interest payments by €0,7 million in the three months period ended 2019 and lower dividends distribution in the three months period ended 2019 to minority interests amounting to €6,3 million.

Cash & Cash Equivalents

The following table sets forth our Cash & Cash Equivalents as of March 31, 2019 and December 31, 2018.

Cash & Cash Equivalents (€ in millions)	**December 31, 2018**	**March 31, 2019**	**% change**
Partnerships[1]	77,8	78,7	1,2%
All other Operating Entities (with revenue contracts) & HQ [2]	84,7	55,9	-34,0%
Total	**162,5**	**134,6**	**-17,2%**

[1] As Partnerships we define our Operations in Turkey (Inteltek & Bilyoner), Bulgaria (Eurofootball Group & Eurobet Group), and Argentina
[2] In March 31, 2019, on a pro-forma basis, Cash and cash equivalents of Totolotek S.A. amounting to €0,9 million (classified as held for sale according to IFRS 5), have been included.

Cash and cash equivalents at the end of the 1Q19 period decreased by €27,9 million vs. FY18. Of the Cash & Cash Equivalents at the end of March 31, 2019, €78,7 million are located in our partnerships, and the rest across all other Operating entities (with revenue contracts) and HQ (€55,9 million), with an amount between €25,0 million and €30,0 million allotted as Working Capital in the operating entities (with revenue contracts).

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, 2018 with the three months period ended March 31, 2019

Proportionate Financial Metrics[1] – Pro Forma (€ in millions)	**three months ended March 31,**		**% change**
	2018	**2019**	
Proportionate Revenue	137,8	128,4	-6,8%
Proportionate GGR	86,7	82,7	-4,6%
Proportionate **EBITDA**	**25,9**	**21,2**	**-18,1%**
Adjusted EBITDA [2]	32,2	31,4	-2,5%
	December 31, 2018	**March 31, 2019**	
Proportionate Gross Debt [3]	775,6	778,9	-
Proportionate Cash & Cash Equivalents [3]	115,6	88,7	-

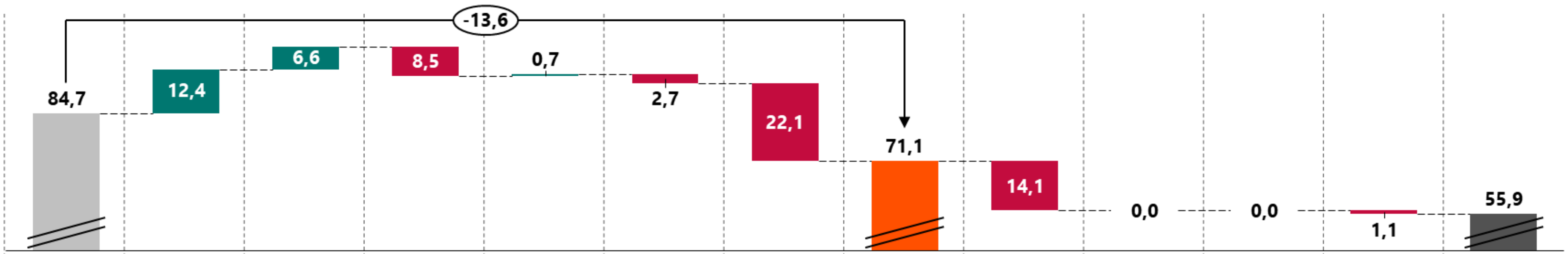
[1] The activities of Group subsidiaries Azerinteltek AS (Azerbaijan) and Totolotek S.A. (Poland) are presented as discontinued operations pursuant to IFRS 5.
[2] Calculated as Proportionate EBITDA of fully consolidated entities including EBITDA from equity investments in Italy, Peru, Greece and Taiwan
[3] 31/12/2018 figures have been adjusted to exclude balances of Group discontinued operations in Totolotek S.A. (Poland).

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 months period ended March 31, 2019, as well as the historical values of 1Q18 and 4Q18.

Pro-Forma Cash Flow – Shareholders of the Parent View, 1Q19

€m



Historical Values

	Cash & Cash Equivalents, 4Q18	EBITDA	Net Dividends, and Fees from Partnerships & Equity Stakes	WC, FX & All Other	Tax	Maintenance CAPEX	Net Interest	Cash Available for Investments	Growth & Contract Renewals CAPEX	Disposals/ M&A/ Investments	Refinancing Fees & Expenses	Net Loan & Leases Movement	Cash & Cash Equivalents, 1Q19
1 1Q18	**157,3**	16,8	12,5	-3,6	-1,1	-5,3	-22,9	**153,7**	-8,1	-6,8		12,8	**151,6**
2 4Q18	**91,5**	4,0	6,2	5,5	0,3	-2,7	-0,4	**104,4**	-34,7			15,0	**84,7**

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

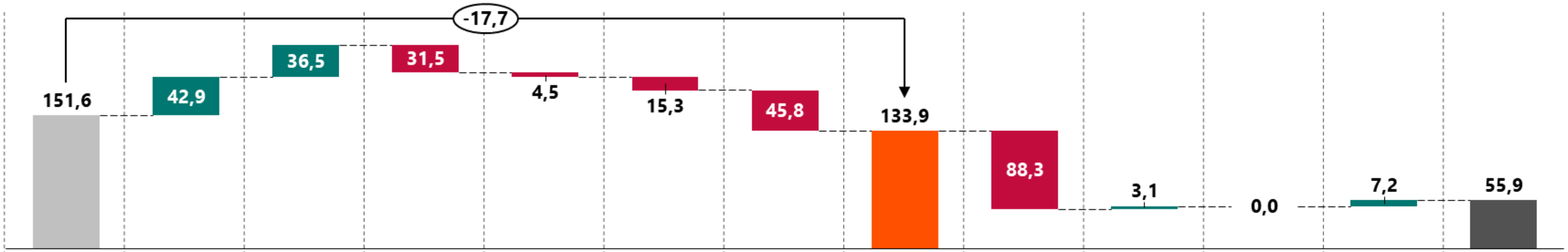
Shareholders of the Parent View	YoY Variances Explained 1	QoQ Variances Explained 2
EBITDA	▪ Illinois contract start in mid-February and a Chilean Jackpot, did not manage to absorb OPAP's new contract scope and Morocco's and Russia's project discontinuation driving the YoY EBITDA deficit	▪ EBITDA improvement in 1Q19 mainly driven by Morocco (4Q18 impacted by FY18 penalty provisions - performance reconciliation mechanism), Malta (payout hit in 4Q18), Chile (Jackpot in 1Q19), OPAP contract termination expenses (e.g. severances) recorded in 4Q18, and timing of HQ expenses
Net Dividends, and Fees from Partnerships	▪ Negative variance following Inteltek's dividend timing, and Bilyoner's advance dividend outflow in the second half of 2018	▪ Similar QoQ performance
WC, FX & All Other	▪ Worse WC driven by the timing impact from the delayed receipts from Morocco and the Illinois contract start timing effect and to a less extend (vs. LY) from new projects equipment ▪ Favorable FX variance vs. a year ago	▪ QoQ WC deterioration mainly from inventory purchases payments for new projects in 1Q19 and the Illinois contract start impact vs. positive WC impact from the inventory transfers to CAPEX (US project) in 4Q18 ▪ FX impact on par with 4Q18
Tax	▪ Positive Tax variance, following a tax return regarding a dividend income, which will be normalized within the year	▪ Similar performance given a tax refund received by INTRALOT SA in 4Q18 and by a tax return received in 1Q19 regarding a dividend income
Maintenance CAPEX	▪ Maintenance CAPEX outflow in line with 4Q18 run rate	▪ Maintenance CAPEX outflow in line with 4Q18 run rate
Net Interest	▪ Net Interest at similar levels vs. 1Q18, driven by the 2 (out of 4) bond coupons payments	▪ Higher interest due to coupon payments timing (2 coupon payments in 1Q19 vs. none in 4Q18)
Growth & Contract Renewals CAPEX	▪ Higher outflows (vs. 1Q18) driven by US investments (mainly Illinois, and Ohio leftovers)	▪ Decreased CAPEX in 1Q19 following the decreased needs for Illinois and Ohio
Disposals/ M&A/ Investments	▪ Prior year figure includes the outflow related to the decision to invest in the Greek Casino market (€-6.8m)	▪ Not applicable
Refinancing Fees & Expenses	▪ Not applicable	▪ Not applicable
Net Loan & Leases Movement	▪ Net loan/ leases movement driven by Nomura Loan (yoy delta: €-22.5m) in part counterbalanced by a net loan/leases uptake from our US operations	▪ Net loan/ leases movement driven by Nomura partial repayment in 1Q19 and the decreased levels of net loan/ lease uptake from our US operations vs. 4Q18

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, 2019, as well as the historical values of LTM 4Q18 and LTM 3Q18.

Pro-Forma Cash Flow – Shareholders of the Parent View, LTM 1Q19

€m



Historical Values	Cash & Cash Equivalents, 1Q18	EBITDA	Net Dividends, and Fees from Partnerships & Equity Stakes	WC, FX & All Other	Tax	Maintenance CAPEX	Net Interest	Cash Available for Investments	Growth & Contract Renewals CAPEX	Disposals/ M&A/ Investments	Refinancing Fees & Expenses	Net Loan & Leases Movement	Cash & Cash Equivalents, 1Q19
LTM 4Q18	**157,3**	47,3	42,4	-26,7	-6,2	-17,9	-46,6	**149,6**	-82,4	-3,6		21,1	**84,7**
LTM 3Q18	**407,5**	59,7	41,9	-37,8	-14,3	-21,2	-50,0	**385,8**	-55,5	24,2	-23,9	-239,1	**91,5**

Major Contracts Overview & Update

Overview & LTM Contribution

Selected Entities/ Projects contribution in the twelve months ended March 31, 2019 after Intragroup eliminations.

Entity/ Project/ Description	Partnership	Contract type	Revenue Contribution	GGR Contribution	GP Contribution[1]	EBITDA Contribution[1]	Contract Expiry (w/o Renewals)[6]
13 Technology Contracts with State Lotteries[2]	DC only	Technology	12%	22%	11%	28%	2027
OPAP[3]		Technology	2%	4%	4%	1%	2021
Hellenic Lotteries		Technology	1%	1%	1%	0%	2026
12 Technology Contracts with State Lotteries and 1 Licensed Operation	Yes	Technology/ Licensed Operations	7%	7%	8%	9%	2024
2 VLT Monitoring Contracts and 1 Technology Contract[4]		Technology	3%	5%	13%	12%	2027
Inteltek	Yes	Management Contracts	4%	8%	15%	15%	August 2019
Bilyoner	Yes	Management Contracts	3%	6%	15%	11%	2019 - Renewable at the discretion of the Administration
Intralot Maroc[5]		Management Contracts	4%	6%	15%	6%	2019
Eurofootball Group	Yes	Licensed Operations	34%	14%	18%	19%	Open Market License
Eurobet Group	Yes	Licensed Operations	8%	5%	5%	5%	Open Market License
Maltco		Licensed Operations	13%	9%	7%	11%	2022
Subtotal *(% of LTM 1Q19)*			**91%**	**87%**	**112%**	**117%**	
LTM 1Q19 *(in million €)*			**766.3**	**428.0**	**150.9**	**112.2**	

[1] Management estimation incorporating direct expenses and apportionment of indirect expenses related to the project/country
[2] USA figures include also the Philippines project contribution
[3] OPAP FY contribution refers to both the extended contract that ended July 31 2018 and the new contract, of a smaller contract value due to the limited scope (vs. the previous contract), thereafter
[4] New Zealand Monitoring ends in 2022 while that in Victoria (Australia) ends in 2027; the Lottery West contract ends in 2021 (without considering extension options)
[5] Contract with SGLN currently expired in December 2018. A one-year extension with MDJS up to December 2019 has been agreed (RFP process is underway)
[6] 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 two contracts in Greece.

As the center of our operations, Greece is also home to our betting 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 close to 690 employees currently (close to 770 headcount footprint in Greece). As such, Intralot S.A. expenses are allocated across the different projects, including among others the Greek projects, as follows:

Intralot S.A. expenses allocation per project (Last twelve months ended March 31, 2019)	**OPAP**	**HL**	**Taiwan**	**Peru**	**Malaysia**	**All Other**[10]
CoS	23,5%	11,8%	8,5%	2,7%	6,1%	47,4%
Selling	12,0%	12,8%	4,0%	2,0%	3,0%	66,2%
Admin	13,2%	1,8%	4,0%	2,0%	2,0%	77,0%
R&D	16,1%	10,2%	9,0%	4,7%	3,0%	57,0%

[10] Refers to other smaller contracts with 3rd party clients, costs related to Intralot Group subsidiaries as well as other general administration expenses, including the effort allocated to service and support the pipeline of won and upcoming contracts.