

INTRALOT Group

ANNOUNCEMENT OF FINANCIAL RESULTS

**for the six-month period
ended June 30th, 2023**

intralot



“INTRALOT announces EBITDA growth +14% y-o-y and positive Earnings after Tax €4.4m in 1H23”

August 31st, 2023

INTRALOT SA (RIC: **INLr.AT**, Bloomberg: **INLOT GA**), an international gaming solutions and operations leader, announces its financial results for the six-month period ended June 30th, 2023, prepared in accordance with IFRS.

OVERVIEW

- › Group Revenue at €175.3m in 1H23 (-14.4% y-o-y).
- › EBITDA at €62.8m (+14.0% y-o-y) in 1H23, with EBITDA margin reaching 35.8% from 26.9% in 1H22. On a quarterly basis, 2Q23 vs. 2Q22, EBITDA remained at the same levels.
- › LTM EBITDA rose to €130.6m, up by 6.3% vs FY22.
- › Substantial growth in our US operations (Revenues +7.4%, EBITDA +14.7% y-o-y).
- › EBT in 1H23 shaped at €16.3m vs. €8.0m in 1H22.
- › NIATMI (Net Income After Tax and Minority Interest) at €4.4m, vs. €-0.5m a year ago.
- › Operating Cash Flow at €49.8m in 1H23 (+20.2% y-o-y).
- › Group Net CAPEX in 1H23 was €14.1m.
- › Group Cash at the end of 1H23 at €101.5m.
- › Net Debt at €480.5m at the end of 1H23, lower by €10.0m vs. Dec-22 and €28.2m vs. 1H22.
- › Net Debt/ LTM EBITDA at 3.7x in 1H23 vs. 4.0x in FY22.
- › U.S. subsidiary INTRALOT, Inc. has signed an extension of its contract with the Wyoming Lottery Corporation for an additional five-year term, until August 25, 2034.
- › In Taiwan, LotRich Information Co., Ltd. a Taiwanese joint venture in which INTRALOT is a major shareholder, has signed a 10-year contract as the lottery system technology provider of CTBC Bank Co.
- › On August 8, 2023, the Group announced the cancellation of Notes due 2024, that were in its possession, with nominal value €144.432.000.
- › Following the General meeting of the Company's shareholders held on August 30, 2023, the Board of Directors was authorized to resolve the terms of the increase of the Company's share capital up to an amount not exceeding 100% of the paid-up share capital.

Note:

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

Group Headline Figures

<i>(in € million)</i>	1H23	1H22	% Change	2Q23	2Q22	% Change	LTM
Revenue (Turnover)	175.3	204.8	-14.4%	85.8	107.2	-20.0%	363.2
GGR	163.6	168.5	-2.9%	80.2	88.7	-9.6%	339.0
OPEX ¹	(46.8)	(49.4)	-5.2%	(24.1)	(27.6)	-12.5%	(97.2)
EBITDA²	62.8	55.1	14.0%	29.1	29.0	0.4%	130.6
<i>EBITDA Margin (% on Revenue)</i>	35.8%	26.9%	+ 8.9pps	33.9%	27.0%	+ 6.9pps	36.0%
<i>EBITDA Margin (% on GGR)</i>	38.4%	32.7%	+ 5.7pps	36.3%	32.7%	+ 3.6pps	38.5%
Capital Structure Optimization expenses	-	(0.3)	-100.0%	-	(0.0)	-100.0%	(0.9)
D&A	(31.9)	(36.5)	-12.7%	(15.8)	(19.4)	-18.8%	(65.4)
EBT	16.3	8.0	103.3%	5.4	10.3	-48.0%	38.0
<i>EBT Margin (%)</i>	9.3%	3.9%	5.4pps	6.3%	9.6%	- 3.4pps	10.5%
NIATMI	4.4	(0.5)	-	1.3	5.1	-74.9%	16.8
Total Assets	576.3	625.9	-	-	-	-	-
Gross Debt	582.0	625.0	-	-	-	-	-
Net Debt	480.5	508.7	-	-	-	-	-
Operating Cash Flow from total operations	49.8	41.4	20.2%	12.6	24.1	-47.9%	104.6
Net CAPEX	(14.1)	(10.5)	33.9%	(6.9)	(6.2)	10.8%	(30.1)

INTRALOT Chairman & CEO Sokratis P. Kokkalis noted:

"INTRALOT's results for the first half of 2023 show continuing EBITDA growth of 14.0% and healthy cash flows as the company consistently focuses on higher profit margin activities and lower leverage ratios. These developments allow us greater confidence in refinancing our upcoming maturities with an improved credit profile and address significant opportunities in the US and around the globe."

¹ OPEX line presented excludes the capital structure optimization expenses.

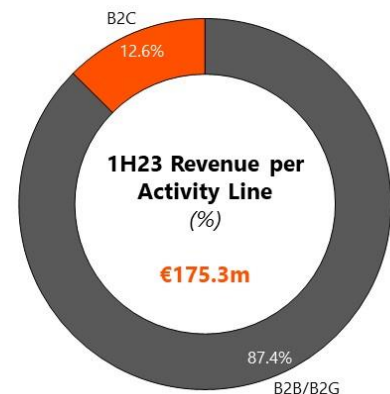
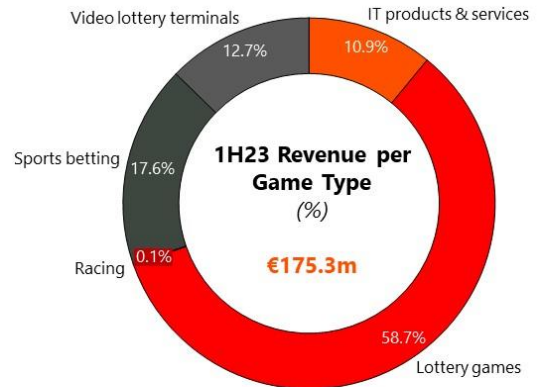
² The Group defines "EBITDA" as "Operating Profit/(Loss) before tax" adjusted for the figures "Profit/(loss) from equity method consolidations", "Profit/(loss) to net monetary position", "Exchange Differences", "Interest and related income", "Interest and similar expenses", "Income/(expenses) from participations and investments", "Write-off and impairment loss of assets", "Gain/(loss) from assets disposal", "Reorganization costs" and "Assets' depreciation and amortization".

OVERVIEW OF RESULTS

REVENUE

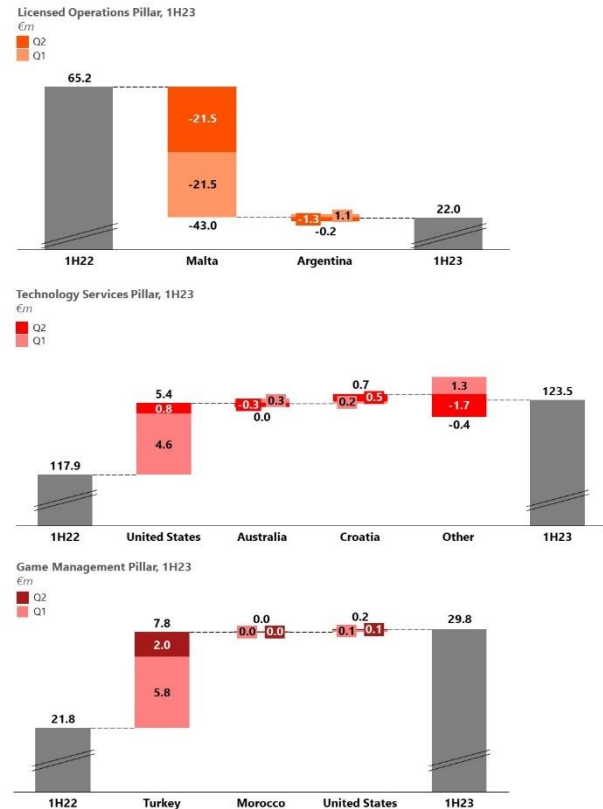
Reported consolidated **revenue** posted a decrease compared to 1H22, leading to a total revenue for the six-month period ended June 30th, 2023, of €175.3 (-14.4%). Excluding the impact from the discontinuation of Malta license, underlying revenue from continuing operations increased by 8.3%.

- From a contribution perspective, Lottery Games remain our largest contributor to Group turnover with a share of 58.7%, followed by Sports Betting with a share of 17.6%, VLTs monitoring with a share of 12.7%, Technology contracts with a share of 10.9%, and Racing with a share of 0.1%.
- Reported consolidated revenue for the six-month period is lower by €29.6m year over year. The main factors that drove top line performance per Business Activity are:
 - €-43.2m (-66.2%) from our **Licensed Operations (B2C)** activity line with the variance driven by:
 - Revenue absence in **Malta** (€-43.0m) due to the license expiration early July 2022 and
 - Slightly lower revenue in **Argentina** (€-0.2m). In local currency, current year results posted a +111.8% y-o-y increase.
 - +8.0m (+36.7%) from our **Management (B2B/ B2G)** contracts activity line with the variance driven by:
 - Strong momentum of our **Turkish** operations (€+7.8m or +64.6%), driven by Bilyoner's improved performance, favored by the growth of the online market. In 1H23, the local Sports Betting market expanded close to 2.1 times y-o-y. Performance in Euro terms was partially mitigated by the headwinds in Turkish lira (+63.5% Euro appreciation versus a year ago) and
 - Higher revenue from our **US** Sports Betting contracts in Montana and Washington, D.C. (€+0.2m or +8.6%).



- €+5.6m (+4.7%) from our **Technology and Support Services (B2B/ B2G)** activity line, with the variance driven by:

- **US** operations' increased revenue (€+5.4m or +7.4% y-o-y), mostly driven by the growth in the categories of Numerical and Instant games,
- Higher revenue in Croatia (€+0.7m or +18.9%) as a result of the local market growth and
- Lower revenue from rest jurisdictions (€-0.4m or -1.3%).



- On a quarterly basis, revenue decreased by 20.0% compared to 2Q22, leading to total revenue for the three-month period that started on April 1st, 2023, and ended on June 30th, 2023, of €85.8m. Decreased revenue for the quarter (€-21.4m) is primarily attributed to the license expiration in Malta.

GROSS GAMING REVENUE & Payout

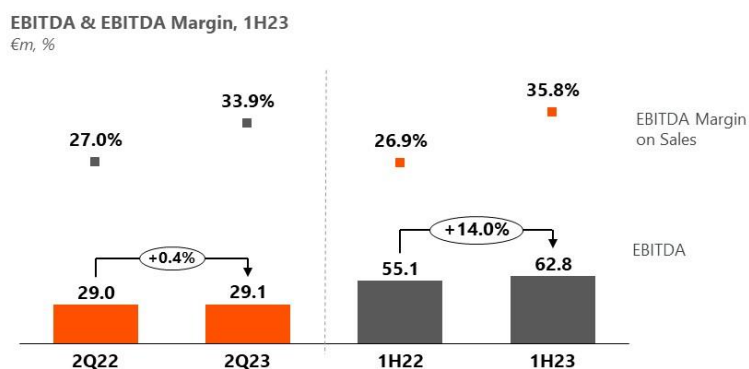
- **Gross Gaming Revenue** (GGR) concluded at €163.6m in 1H23, posting a decrease of 2.9% (or €-4.9m) year over year. The improved performance across most key regions did not manage to fully absorb the loss of sales from Malta and the higher payout ratio in Argentina (-69.3% y-o-y on wagers from licensed operations³). 1H23 Payout Ratio⁴ was higher by 2.7pps vs. 1H22 (61.2% vs. 58.4%). In 2Q23, GGR decreased by 9.6% (or €-8.5m y-o-y).

³ Licensed Operations Revenue also include a small portion of non-Payout related revenue, i.e., value-added services, which totaled €2.9m and €3.0m for 1H23 and 1H22 respectively, and €1.5m and €1.7m for 2Q23 and 2Q22 respectively.

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

OPERATING EXPENSES⁵ & EBITDA⁶

- Total Operating Expenses** ended lower by €2.6m (or -5.2%) in 1H23 (€46.8m vs. €49.4m), mainly due to OPEX avoidance in Malta following the expiration of the license. On a quarterly basis, **Operating Expenses** posted a decrease of €3.4m (or -12.5%) in 2Q23 (€24.1m vs. €27.6m in 2Q22).
- Other Operating Income** from continuing operations ended at €14.8m presenting an increase of 26.2% y-o-y (or €+3.1m). On a quarterly basis, **Other Operating Income** exhibited an increase of 16.0% or €+1.0m.
- EBITDA** developed to €62.8m in 1H23, posting an increase of 14.0% (or €+7.7m) compared to 1H22. In the first half of 2023, organic growth was supported by the significant contribution of our US operations combined with Bilyoner's improved performance, fully offsetting the impact from Malta license termination.



- On a yearly basis, **EBITDA margin** on sales improved to 35.8%, from 26.9% in 1H22 (+8.9pps).
- On a quarterly basis, **EBITDA** remained unchanged (€+0.1m or +0.4%), while **EBITDA margin** on sales posted an increase of 6.9pps.
- LTM EBITDA** stands at €130.6m, up by 6.3% vs. FY22.

EBT / NIATMI

- EBT** in 1H23 amounted to €16.3m compared to €8.0m in 1H22, triggered by the higher recorded EBITDA y-o-y. On a quarterly basis, EBT settles at €5.4m, lower by €5.0m vs. 2Q22, mainly impacted by the gains on net monetary position in 2Q22.
- NIATMI** in 1H23 concluded at €4.4m compared to €-0.5m in 1H22.

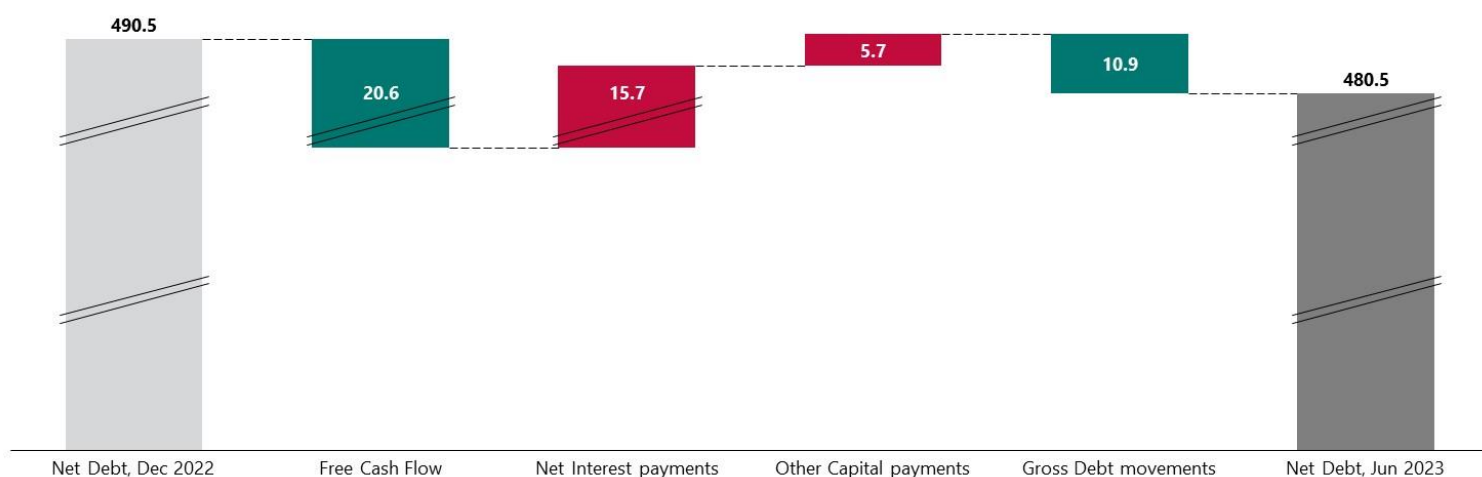
⁵ Operating Expenses analysis excludes expenditures related to capital structure optimization.

⁶ EBITDA analysis excludes Depreciation & Amortization, and expenditures related to capital structure optimization.

CASH FLOW

- Operating Cash-flow** in 1H23 increased by €8.4m to €49.8m, compared to €41.4m in 1H22, as a result of the increased EBITDA performance.
- Net CAPEX** in 1H23 was €14.1m, higher by €3.6m compared to 1H22, with US projects consuming most of the CAPEX needs.
- Net Debt**, as of June 30th, 2023, stood at €480.5m, decreased by €10.0m compared to December 31st, 2022. Net debt position and leverage ratios improvement (Net Debt / LTM EBITDA at 3.7x vs. 4.0x in Dec-22) was achieved through the strong cash flow⁷ generation and the positive impact of the gross debt movements. Gross debt movements include the capital payments towards the Term Loan in US and the favorable effect from the exchange rate differences for our US denominated debt.

Net Debt Movement, 1H23
in € million



⁷ Free Cash Flow defined as "Net Cash from Operating activities" adjusted for "Net Dividends", "Net Capex", "Repayment of leasing obligations", "Reorganizations costs paid", "Exchange differences" and "Return of Capital to minority shareholders of subsidiary"

OUTLOOK/RISKS

The Company Management identifies significant opportunities in the growth of the Lottery and Sports Betting online markets and the expansion of regulated i-lottery markets, as well as from the recovery from the implications of the recent pandemic. Combined with the evolution of INTRALOT's new technological solutions for Lottery digital transformation, the Company is in position to capture more technology projects with an increased profit margin compared to previous years.

World economies continue to navigate through macroeconomic uncertainties, with interest rates at high levels and relatively slow economic growth.

Increased interest rates have a direct impact on the financing servicing costs of the Intralot Group, while the outlook indicates that central banks may start to ease their monetary policy by the end of 2023.

Inflation is declining more slowly than expected, having strong impact on most of the industries and regions. However, the gaming industry seems to be more resilient than other sectors of the economy, presenting above average growth in most regions.

The Management of the Company closely monitors geopolitical and economic developments and is ready to take all the necessary measures for protecting its operations.

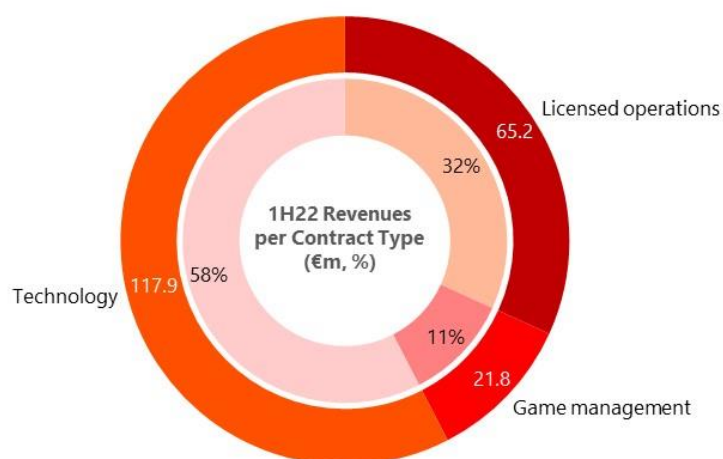
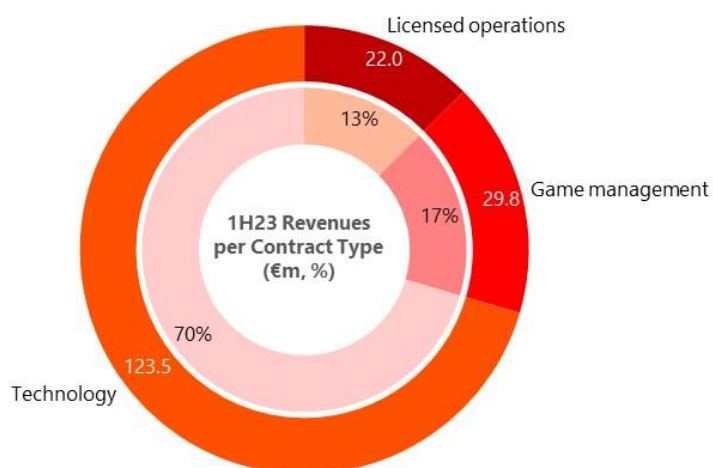
RECENT / SIGNIFICANT COMPANY DEVELOPMENTS

- U.S. subsidiary INTRALOT, Inc. has signed an extension of its contract with the Wyoming Lottery Corporation for an additional five-year term. INTRALOT, Inc. will continue to provide its advanced lottery operating system and comprehensive services to support the operations of the Wyoming Lottery Corporation until August 25, 2034.
- Following an international competitive tender issued by CTBC Bank Co. in Taiwan, LotRich Information Co., Ltd. a Taiwanese joint venture in which INTRALOT is a major shareholder, has signed a 10-year contract as the lottery system technology provider of CTBC Bank Co., which has been awarded the license from the Taiwanese Government to issue and operate the Public Welfare Lottery. INTRALOT has been the technological provider of CTBC Bank Co. in Taiwan since 2007, when CTBC Bank Co. obtained its first license to issue and operate the lottery.
- On August 8, 2023, the Group announced the cancellation of Notes due 2024, that were in its possession, with nominal value €144.432.000.
- Following the General meeting of the Company's shareholders held on August 30, 2023, the Board of Directors was authorized to resolve the increase of the Company's share capital up to an amount not exceeding 100% of the paid-up share capital.

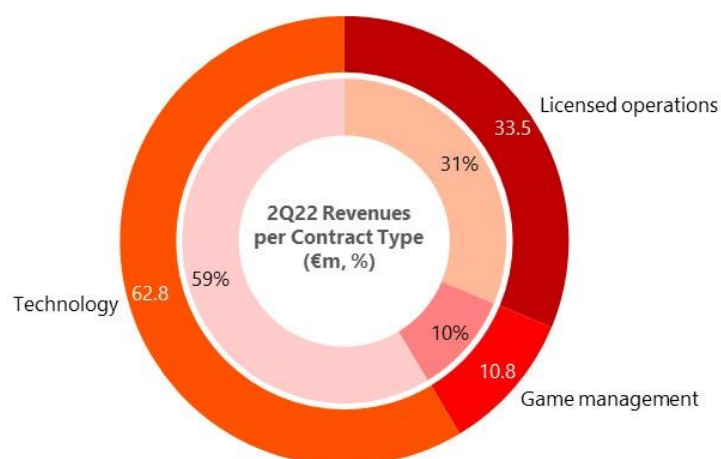
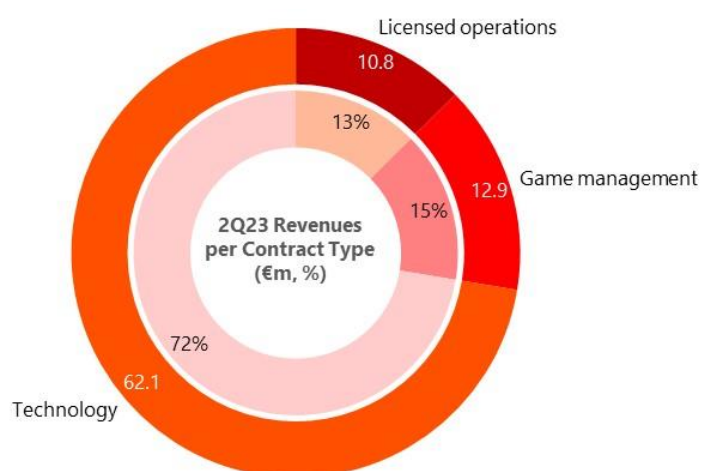
APPENDIX

Performance per Business Segment⁸

YTD Performance



Quarterly Performance



Performance per Geography

Revenue Breakdown

(in € million)	1H23	1H22	% Change
Europe	50.7	74.9	-32.3%
Americas	114.8	110.7	3.7%
Other	39.4	31.5	25.3%
Eliminations	(29.7)	(12.2)	-
Total Consolidated Sales	175.3	204.8	-14.4%

⁸ Part of the US revenue that concerns SB management, has been included under the category "Game Management". The rest of the US revenue is included under the "Technology" business segment.

Gross Profit Breakdown

(in € million)	1H23	1H22	% Change
Europe	19.0	8.4	125.5%
Americas	32.4	26.5	21.9%
Other	33.3	26.4	26.0%
Eliminations	(21.7)	(5.1)	-
Total Consolidated Gross Profit	63.0	56.3	12.0%

Gross Margin Breakdown

	1H23	1H22	% Change
Europe	37.4%	11.2%	+ 26.2pps
Americas	28.2%	24.0%	+ 4.2pps
Other	84.3%	83.9%	+ 0.4pps
Total Consolidated Gross Margin	35.9%	27.5%	+ 8.4pps

INTRALOT Parent Company results

- **Revenue** for the period significantly increased, from €13.4m to €31.4m, driven by higher recharges to subsidiaries.
- **EBITDA** shaped at €16.7m from €-1.0m in 1H22, with the positive variance stemming mainly from the increased revenue.
- **Earnings after Taxes (EAT)** at €6.1m from €-13.7m in 1H22.

(in € million)	1H23	1H22	% Change	LTM
Revenue	31.4	13.4	134.0%	54.7
Gross Profit	19.0	0.7	2643.1%	25.2
Other Operating Income ⁹	0.2	0.5	-70.4%	0.4
OPEX ⁹	(8.3)	(9.3)	-10.9%	(17.3)
EBITDA⁹	16.7	(1.0)	-	20.3
EAT	6.1	(13.7)	-	1.1
CAPEX (paid)	(1.5)	(0.7)	119.7%	(3.6)

⁹ Other Operating Income, Operating Expenses and EBITDA lines presented exclude the expenditures and recharges related to capital structure optimization.

CONFERENCE CALL INVITATION – FIRST HALF 2023 FINANCIAL RESULTS

Sokratis Kokkalis, Chairman & CEO, Chrysostomos Sfatos, Group Deputy CEO, Andreas Chrysos, Group CFO, Vasileios Vasdaris, Group Tax & Accounting Director, Antonis Skiadas, Group Finance, Controlling & Budgeting Director and Michail Tsagalakis, Capital Markets Director, will address INTRALOT's analysts and institutional investors to present the Company's First Half 2023 results, as well as to discuss the latest developments at the Company.

The financial results will be released on the ATHEX website (www.helex.gr) and will be posted on the company's website (www.intralot.com) on Thursday, August 31st, 2023 (before the opening of the ATHEX trading session).

AGENDA: Brief Presentation - Question and Answer Session

CONFERENCE CALL DETAILS

Date: Thursday, August 31st, 2023	
Time: Greek time 17:00 - UK time 15:00 - CEST 16:00 - USA time 10:00 (East Coast Line)	
Conference Phone GR	 + 30 211 180 2000
Conference Phone GR	 + 30 213 009 6000
Conference Phone GB	 + 44 (0) 203 059 5872
Conference Phone GB	 + 44 (0) 800 368 1063
Conference Phone US	 + 1 516 447 5632
We recommend that you call any of the above numbers 5 to 10 minutes before the conference call is scheduled to start.	

TO REGISTER FOR THE EVENT PLEASE CLICK HERE: [Global Pre-Registration Link](#)

LIVE WEBCAST DETAILS

The conference call will be available via webcast in real time over the Internet and you may join by linking at the internet site:

<https://87399.choruscall.eu/links/intralot23H1.html>

DIGITAL PLAYBACK

There will be a digital playback on August 31st, 2023, at 19:00 (GR Time).

This Service will be available until the end of the business day September 11th, 2023.

Please dial the following numbers and the **PIN CODE: 059 #** from a touch-tone telephone

Digital Playback UK: + 44 (0) 203 059 5874

Digital Playback US: + 1 631 257 0626

Digital Playback GR: + 30 210 946 0929

In case you need further information, please contact Intralot, Mr. Antonis Mandilas, at the telephone number: +30 213 0397000 or Chorus Call Hellas S.A., our Teleconferencing Services Provider, Tel. +30 210 9427300.

SUMMARY OF FINANCIAL STATEMENTS

Group Statement of Comprehensive Income

<i>(in € million)</i>	1H23	1H22	% Change	2Q23	2Q22	% Change	LTM
Revenue	175.3	204.8	-14.4%	85.8	107.2	-20.0%	363.2
Gross Profit	63.0	56.3	12.0%	30.5	31.1	-2.1%	134.5
Other Operating Income	14.8	11.7	26.2%	7.0	6.0	16.0%	27.9
OPEX	(46.8)	(49.4)	-5.2%	(24.1)	(27.6)	-12.5%	(97.2)
EBITDA	62.8	55.1	14.0%	29.1	29.0	0.4%	130.6
<i>Margin %</i>	35.8%	26.9%	+ 8.9pps	33.9%	27.0%	+ 6.9pps	36.0%
Capital Structure Optimization expenses	-	(0.3)	-100.0%	-	(0.0)	-100.0%	(0.9)
D&A	(31.9)	(36.5)	-12.7%	(15.8)	(19.4)	-18.8%	(65.4)
EBIT	30.9	18.2	69.6%	13.3	9.5	39.5%	64.3
Interest and related expenses (net)	(19.1)	(19.5)	-1.9%	(9.3)	(9.8)	-4.9%	(36.3)
Exchange differences	(0.4)	(0.5)	-26.6%	0.3	0.0	2890.0%	(0.3)
Other	4.9	9.8	-50.1%	1.1	10.6	-89.9%	10.4
EBT	16.3	8.0	103.3%	5.4	10.3	-48.0%	38.0
NIATMI	4.4	(0.5)	-	1.3	5.1	-74.9%	16.8
NIATMI continuing	4.4	(6.1)	-	1.3	(0.4)	-	16.8
NIATMI discontinued	-	5.6	-	-	5.6	-	-

Group Statement of Financial Position

<i>(in € million)</i>	1H23	FY22
Tangible Assets (incl. investment properties)	104.2	116.3
Intangible Assets	191.2	208.6
Other Non-Current Assets	54.2	56.0
Inventories	24.3	23.9
Trade and Other Short-term Receivables	100.8	109.9
Cash and Cash Equivalents	101.5	102.4
Total Assets	576.3	617.1
Share Capital	111.4	111.4
Share Premium	62.1	62.1
Other Equity Elements	(281.3)	(281.4)
Non-Controlling Interests	14.6	20.2
Total Shareholders' Equity	(93.3)	(87.7)
Long-term Debt	559.8	570.4
Provisions/ Other Long-term Liabilities	35.3	28.8
Short-term Debt	22.2	22.5
Other Short-term Liabilities	52.3	83.2
Total Liabilities	669.6	704.8
Total Equity and Liabilities	576.3	617.1

Group Statement of Cash Flows

<i>(in € million)</i>	1H23	1H22
EBT from continuing operations	16.3	8.0
EBT from discontinued operations	-	5.6
Plus/less adjustments	45.6	40.5
Decrease/(increase) of inventories	(0.9)	(6.2)
Decrease/(increase) of receivable accounts	2.7	7.8
(Decrease)/increase of payable accounts	(10.8)	(11.8)
Income tax paid	(3.1)	(2.5)
Net Cash from Operating Activities	49.8	41.4
Net CAPEX	(14.1)	(10.5)
(Purchases) / Sales of subsidiaries & other investments	(0.5)	(0.1)
Interest received	2.6	1.4
Dividends received	1.0	-
Net Cash from Investing Activities	(11.0)	(9.2)
Proceeds from issues of shares and other equity securities	-	-
Return of Capital to minority shareholders of subsidiary	(1.5)	-
Treasury shares purchase	-	-
Cash inflows from loans	-	0.0
Repayment of loans	(5.7)	(0.9)
Repayment of leasing obligations	(2.5)	(1.9)
Interest and similar charges paid	(18.4)	(20.6)
Dividends paid	(4.5)	(2.6)
Reorganization costs paid	-	(0.1)
Net Cash from Financing Activities	(32.7)	(26.0)
Net increase / (decrease) in cash for the period	6.1	6.2
Exchange differences	(7.0)	2.8
Cash at the beginning of the period	102.4	107.3
Cash at the end of the period from total operations	101.5	116.4

About [INTRALOT](#)

INTRALOT, a publicly listed company established in 1992, is a leading gaming solutions supplier and operator active in 39 regulated jurisdictions worldwide. With a global workforce of approximately 1,700 employees in June 2023, INTRALOT is committed to redefine innovation and quality of services in the lottery and gaming sector, while supporting operators in raising funds for good causes. Uniquely positioned to deliver state-of-the-art technology across geographies, the company has developed an advanced ecosystem that serves all verticals enabling the digital transformation of gaming operators and offering players an unparalleled gaming experience. INTRALOT has been awarded the prestigious Responsible Gaming Framework certification by the World Lottery Association and is certified under the WLA Security Control Standard. Visit us at www.intralot.com.

For more information:

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www.intralot.com