

## PRESS RELEASE

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### **INTRALOT PROVIDES BUSINESS UPDATE IN RESPONSE TO COVID-19 PANDEMIC FINANCIAL IMPACT**

April 23<sup>rd</sup>, 2020

The COVID-19 pandemic has affected economic and business activity around the world. The extent of its impact will depend on its duration, government policy in key jurisdictions regarding restrictions implemented and the current and subsequent economic disruption that the pandemic will cause.

According to H2GC data, the current outlook for the gaming business indicates that the industry global GGR for 2020 is expected to fall between 2013 and 2012 levels, i.e. around \$400 billion, approximately 15% lower compared to its forecasts prior to the COVID -19 outbreak, impacted significantly among other factors by the postponement or cancelation of major sporting events and competitions globally.

The health and safety of our team is of paramount importance. Since early March 2020, INTRALOT has responded to the environment presented by COVID -19 by activating its WLA certified Business Continuity Plan and by using technology in order to immediately enable about 80% of its personnel to work remotely, respecting public authorities' instructions and protecting the health and safety of its personnel, thus preserving business continuity for its customers. However, some delays may be experienced in the product roadmap and in the production of new hardware equipment in Asia or other disruptions in the supply chain from third parties.

Lockdowns, store closures, and the lack of sports betting content are the main sources of impact on the company revenues during the high-impact period, either totally such as in Malta, Australia, and Morocco or partially such as in the US, The Netherlands and Chile.

Group subsidiaries have applied for governmental support programs related to personnel furloughs in Australia and Malta while further mitigation measures are taken in all operations on a risk-based approach, resulting in estimated deferral in Capex in the vicinity of €13m and reductions in Opex in the vicinity of €15m in 2020.

We currently expect that the crisis impact on Group GGR will peak in April and May 2020 and we assume gradual return to near budget figures by November/December 2020 as activity potentially rebounds from June 2020 onwards.

In the US operation, March and early April data show a high degree of resilience given that in many states a significant portion of the retail network remains open. However, the lack of sports betting content has led to delays in the anticipated contribution to the US operation EBITDA from the nascent sports betting revenue stream.

By evaluating available March and early April 2020 data and known lockdown forecasts per jurisdiction, the Company's best estimate impact for 2020 is in the range of €25-30m at Group's EBITDA level. More details will be provided in the FY2019 results publication and investor call.

In parallel, INTRALOT has recently retained Evercore Partners and Allen & Overy, as financial and legal advisors respectively, to review and implement strategic alternatives for the business. The strategic review process will include assessing all available financial and strategic options which may be available to optimize the Company's capital structure, with a view to best position the Company to capture growth opportunities in its key markets and maximize stakeholder value. In that regard, the Company and its advisors will seek to engage directly with its stakeholders in due course.

The company is constantly reviewing the situation in order to protect the safety of its employees and the integrity of its operation and will offer updates when conditions change materially.