

INTRALOT Group

ANNOUNCEMENT OF FINANCIAL RESULTS

**for the twelve-month period
ended December 31st, 2022**

intralot



“INTRALOT announces Revenue €392.8m, EBITDA €122.9 and Earnings Before Tax €29.8m in FY22 Financial Results”

April 11th, 2023

INTRALOT SA (RIC: **INLr.AT**, Bloomberg: **INLOT GA**), an international gaming solutions and operations leader, announces its financial results for the twelve-month period ended December 31st, 2022, prepared in accordance with IFRS.

OVERVIEW

- › Group Revenue at €392.8m (-5.1% y-o-y) and EBITDA at €122.9m (+11.3% y-o-y) in FY22.
- › On a quarterly basis, 4Q22 vs. 4Q21, EBITDA increased by 25.1%.
- › EBT in FY22 shaped at €29.8m.
- › NIATMI (Net Income After Tax and Minority Interest) at €11.9m.
- › Operating Cash Flow at €96.3m in FY22.
- › Group Net CAPEX in FY22 was €26.5m.
- › Group Cash at the end of FY22 at €102.4m.
- › Net Debt at €490.5m at the end of FY22 lower by €6.7m vs. FY21.
- › Net Debt/ EBITDA at 4.0x in FY22 vs. 4.5x in FY21.
- › On December 20, 2022 INTRALOT announced that its U.S. subsidiary, “INTRALOT, Inc”, has signed a five-year contract with the Ohio Lottery to implement its INTRALOT Orion Sportsbook solution. The project went live in January 2023 in about 1,000 retail locations.
- › On February 15, 2023 INTRALOT S.A. announced the appointment of Mr. Nikolaos Nikolakopoulos as CEO of its 100% subsidiary “INTRALOT, Inc”, in the United States.
- › On March 21, 2023 INTRALOT announced the appointment of Mr. Konstantinos Farris as Group Chief Technology Officer. Mr. Farris had also served as CTO of INTRALOT in the years 1997-2016.
- › On March 21, 2023 INTRALOT, Inc announced that Mr. Richard Bateson will assume the position of Chief Commercial Officer of the U.S. subsidiary.
- › On April 6, 2023 INTRALOT announced that its U.S. subsidiary, “INTRALOT, Inc”, signed a 3-year contract, including an option of three annual extensions, with British Columbia Lottery Corporation (BCLC) for the provision of its next-generation sports betting platform INTRALOT Orion and relevant managed services.

Note:

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

Group Headline Figures

(in € million)	FY22	FY21	% Change	4Q22	4Q21	% Change
Revenue (Turnover)	392.8	414.0	-5.1%	91.0	111.2	-18.1%
GGR	343.9	335.3	+2.6%	87.3	90.9	-3.9%
OPEX ¹	(99.8)	(96.0)	+3.9%	(29.6)	(28.0)	+5.5%
EBITDA²	122.9	110.4	11.3%	34.8	27.8	25.1%
EBITDA Margin (% on Revenue)	31.3%	26.7%	+ 4.6pps	38.2%	25.0%	+ 13.2pps
EBITDA Margin (% on GGR)	35.7%	32.9%	+ 2.8pps	39.9%	30.6%	+ 9.2pps
Capital Structure Optimization expenses	(1.2)	(17.2)	-92.9%	(0.1)	(0.3)	-70.7%
D&A	(70.1)	(71.0)	-1.4%	(16.3)	(22.8)	-28.4%
EBT	29.8	37.1	-19.8%	10.4	(19.7)	-
EBT Margin (%)	7.6%	9.0%	-1.4pps	11.4%	-17.7%	+ 29.1pps
NIATMI	11.9	17.5	-31.9%	12.4	(18.0)	-
Total Assets	617.1	607.6	-	-	-	-
Gross Debt	592.8	604.5	-	-	-	-
Net Debt	490.5	497.2	-	-	-	-
Operating Cash Flow from total operations	96.3	107.6	-10.5%	28.6	23.3	22.5%
Net CAPEX	(26.5)	(22.9)	15.8%	(11.3)	(5.2)	115.9%

INTRALOT Chairman & CEO Sokratis P. Kokkalis noted:

"INTRALOT's 2022 Financial Year results reflect robust performance and continuous improvements in all key financial indicators as the company delivered on its main business goals and as a result of intense efforts for capital structure optimization and management reorganization to boost growth and efficiencies. Furthermore, during 2022, we successfully completed a €129m share capital increase at parent level that attracted US based fund Standard General as strategic investor while the proceeds were mostly used to regain control of 100% of Intralot, Inc., our US subsidiary. In parallel we repaid the US-issued 2025 PIK Toggle Notes by use of a mix of a new \$230m Term Loan from a Consortium of US banks and company's cash, and secured a new revolving credit facility of \$50m. In the light of our significantly improved position, we look forward to tapping new growth opportunities in the US and the rest of the world as one of the top gaming technology providers worldwide and working towards refinancing the 2024 Notes."

¹ OPEX line presented excludes the capital structure optimization expenses.

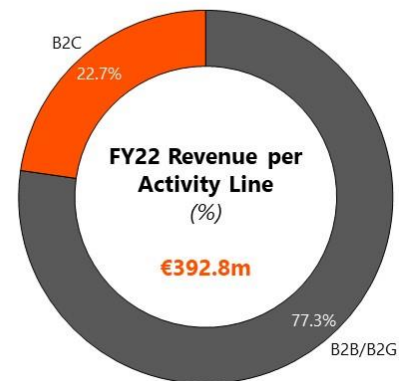
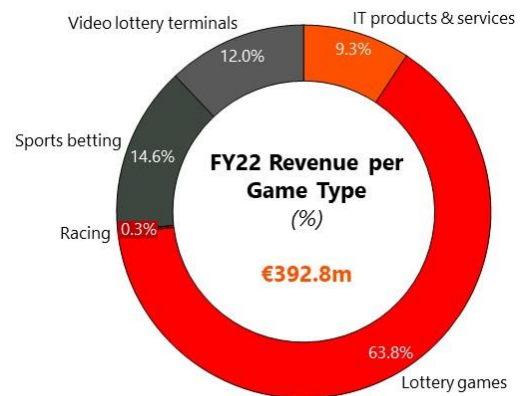
² The Group defines "EBITDA" as "Operating Profit/(Loss) before tax" adjusted for the figures "Profit/(loss) from equity method consolidations", "Profit/(loss) to net monetary position", "Exchange Differences", "Interest and related income", "Interest and similar expenses", "Income/(expenses) from participations 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 FY21, leading to a total revenue for the twelve-month period ended December 31st, 2022, of €392.8m (-5.1%).

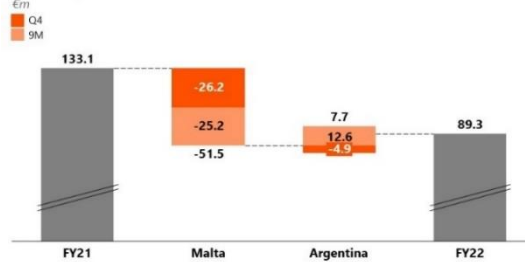
- From a contribution perspective, Lottery Games remain our largest contributor to Group turnover with a share of 63.8%, followed by Sports Betting with a share of 14.6%, VLTs monitoring with a share of 12.0%, Technology contracts with a share of 9.3%, and Racing with a share of 0.3%.
- Reported consolidated revenue for the twelve-month period is lower by €-21.2m year over year. The main factors that drove top line performance per Business Activity are:
 - €-43.7m (-32.9%) from our **Licensed Operations (B2C)** activity line with the variance driven by:
 - Lower revenue in **Malta** (€-51.5m or -54.0% y-o-y) due to the license expiration early July 2022 and
 - Higher revenue in **Argentina** (€+7.7m or +20.5% y-o-y), driven by local market growth. In local currency, current year results posted a +95.5% y-o-y increase.
 - €+19.5m (+8.3%) from our **Technology and Support Services (B2B/ B2G)** activity line, with the variance driven by:
 - Higher revenue in **US** operations (€+8.9m or +6.0% y-o-y) positively affected by the EUR depreciation (-11.0% versus a year ago – in average terms), offsetting the lower merchandise sale in local currency,
 - Higher revenue in **Croatia** (€+5.8m) following the full contribution of our new contract (late April 2021 launch),
 - Higher revenue in **Australia** (€+5.7m or +36.8% y-o-y) triggered by the return of our operations to pre COVID-19 levels and
 - Lower revenue from other jurisdictions (€-0.9m).



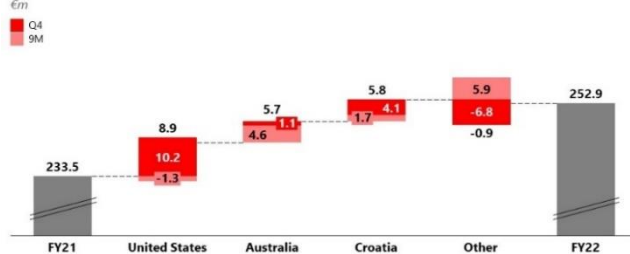
- €+3.1m (or +6.5%) from our **Management (B2B/ B2G)** contracts activity line with the variance driven by:

- Higher revenue from our **Turkish³** operations (€+1.7m), driven by Bilyoner's improved performance, favored by the growth of the online market. Performance in Euro terms was partially mitigated by the headwinds in Turkish lira (+31.1% Euro appreciation versus a year ago),
- Higher revenue in **Morocco** (€+0.9m) led by the market growth and
- Higher revenue from our **US** Sports Betting contracts in Montana and Washington, D.C. (€+0.4m).

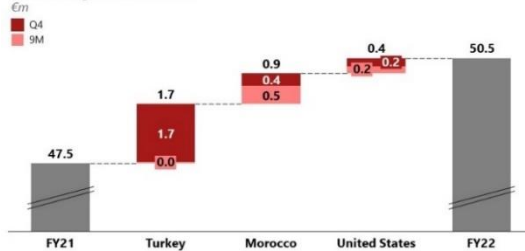
Licensed Operations Pillar, FY22



Technology Services Pillar, FY22



Game Management Pillar, FY22



- On a quarterly basis, revenue decreased by 18.1% compared to 4Q21, leading to total revenue for the three-month period that started on October 1st, 2022, and ended on December 31st, 2022, of €91.0m. Decreased revenue for the quarter (€-20.2m) is primarily attributed to the license expiration in Malta. The decreased revenue y-o-y was partially offset by the favorable performance across most key regions.

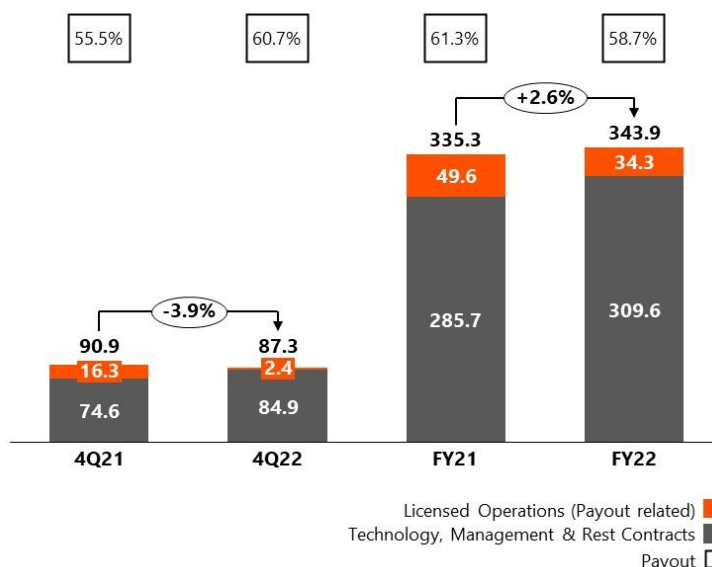
³ Turkish figures have been restated based on IAS 29 (Financial Reporting in Hyperinflationary Economies) to reflect current purchasing power.

GROSS GAMING REVENUE & Payout

- Gross Gaming Revenue (GGR)** from continuing operations concluded at €343.9m in FY22, posting an increase of 2.6% (or €+8.6m) year over year, attributable to:

- the increase in the non-payout related GGR (+8.4% y-o-y or €+23.9m vs. FY21) driven by the improved performance across most key regions, followed by
- the decrease in the payout related GGR (-30.9% y-o-y or €-15.3m vs. FY21) arising mainly from the lower sales in Malta, in part mitigated by the better performance of Argentina and the lower payout ratio in Malta (-35.2% y-o-y on wagers from licensed operations⁴). FY22 Payout Ratio⁵ was lower by 2.6pps vs. FY21 (58.7% vs. 61.3%), significantly affected by the weighted contribution from our operations in Malta.

Gross Gaming Revenue & Payout, FY22
€m, %



- In 4Q22, GGR from continuing operations decreased by 3.9% (or €-3.5m y-o-y).

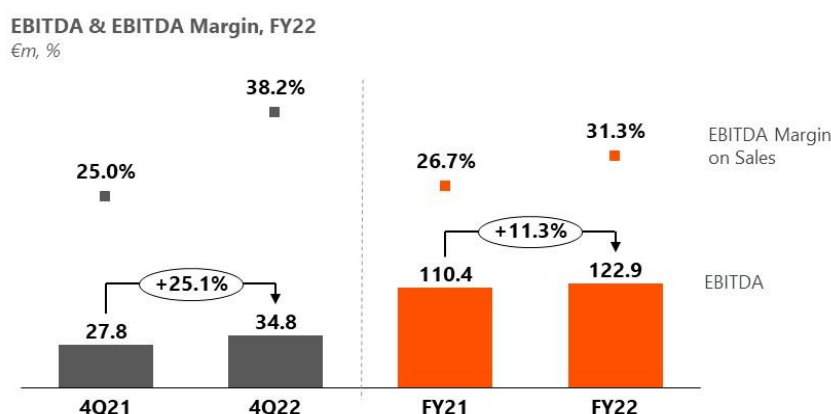
⁴ Licensed Operations Revenue also include a small portion of non-Payout related revenue, i.e., value-added services, which totaled €6.1m and €4.7m for FY22 and FY21 respectively, and €1.0m and €1.6m for 4Q22 and 4Q21 respectively.

⁵ Payout ratio calculation excludes the IFRS 15 impact for payments to customers.

OPERATING EXPENSES⁶ & EBITDA⁷

- **Total Operating Expenses** ended higher by €3.7m (or +3.9%) in FY22 (€99.8m vs. €96.0m), mainly impacted by the negative FX movements, offsetting the costs savings at HQ perimeter. On a quarterly basis, **Operating Expenses** posted an increase of €1.5m (or +5.5%) in 4Q22 (€29.6m vs. €28.0m in 4Q21).
- **Other Operating Income** from continuing operations ended at €24.9m presenting an increase of 15.2% y-o-y (or €+3.3m). On a quarterly basis, **Other Operating Income** exhibited an increase of 21.0% or €+1.2m. The bulk of income is mainly driven by the equipment attributed leases in the USA.

- **EBITDA** amounted to €122.9m in FY22, posting an increase of 11.3% (or €12.4m) compared to FY21. This growth was driven by the improved operating performance across most markets and the continuous cost containment initiatives.



- On a yearly basis, **EBITDA margin** on sales improved to 31.3%, compared to 26.7% in FY21 (+4.6pps).
- On a quarterly basis, **EBITDA** increased by €7.0m vs. FY21 (or 25.1%), while **EBITDA margin** on sales posted an increase of 13.2pps.

EBT / NIATMI

- **EBT** in FY22 amounted to €29.8m largely driven by the significant EBITDA contribution, the lower interest expenses, and the gains on net monetary position, while D&A remained at the same levels with the prior year. Compared to FY21, EBT posted a decrease of €7.3m, mainly due to the balance sheet optimization transactions one-off impact in the prior year.
- **NIATMI from continuing operations** in FY22 concluded at €6.3m compared to €26.6m in FY21. **NIATMI from total operations** in FY22 amounted to €11.9m (deteriorated by €5.6m vs. a year ago). The positive variance of €5.6m between continued and total operations is a result of our participation disposal in Taiwan. In 4Q22, **NIATMI** shaped at €12.4m vs €-18.0m in 4Q21 both on a total and continued basis.

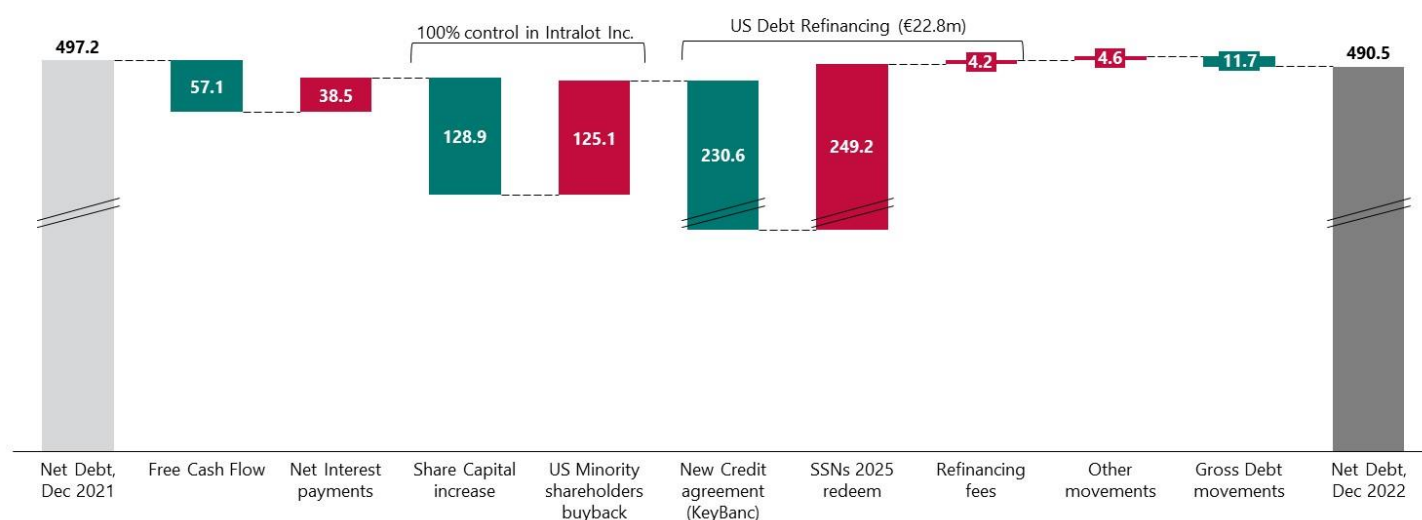
⁶ Operating Expenses analysis excludes expenditures related to capital structure optimization.

⁷ EBITDA analysis excludes Depreciation & Amortization, and expenditures related to capital structure optimization.

CASH-FLOW

- Operating Cash-flow** in FY22 amounted to €96.3m, decreased by €11.3m, compared to FY21, mainly impacted by the unfavourable working capital movement due to timing and the negative variance from tax payments, attributed to the income tax return received on behalf of the parent company the prior year.
- Net CAPEX** in FY22 was €26.5m, higher by €3.6m compared to FY21, with US projects consuming most of the CAPEX needs.
- Net Debt**, as of December 31st, 2022, stood at €490.5m, decreased by €6.7m compared to December 31st, 2021. Recent restructuring actions along with delivery of healthy cash flows⁸ resulted in the improvement of net debt position and leverage ratios (Net Debt / EBITDA at 4.0x in FY22 vs. 4.5x in FY21).

Net Debt Movement, FY22
in € million



⁸ Free Cash Flow defined as "Net Cash from Operating activities" adjusted for "Net Dividends", "Net Capex", "Repayment of leasing obligations", "Reorganizations costs paid" and "Exchange differences".

OUTLOOK

Economies around the world are navigating through a challenging period of inflationary pressures and rising interest rates that weigh on economic growth and create a wide range of implications on businesses. Increased interest rates have a direct impact on the financing servicing costs of the Intralot Group, while the outlook is that central banks will not start to ease their monetary policy before the end of 2023.

High inflation levels are tightening financial conditions in most regions, impacting most industries. The indirect effects on our Group's business activities from the flagging economic growth and the increase in operating expenses due to wage inflation pressures cannot be overlooked.

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

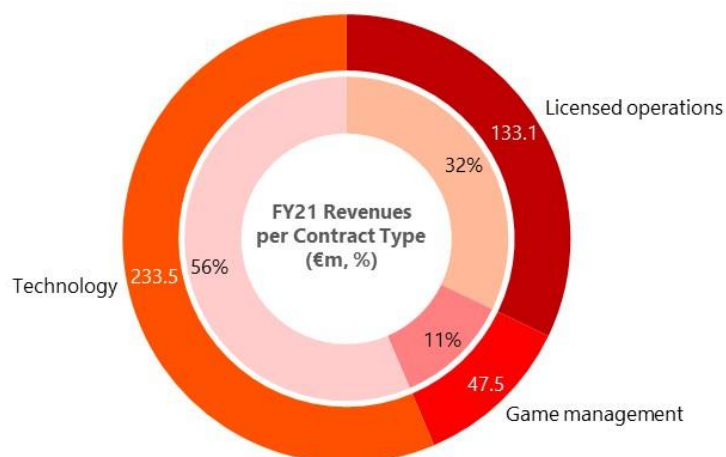
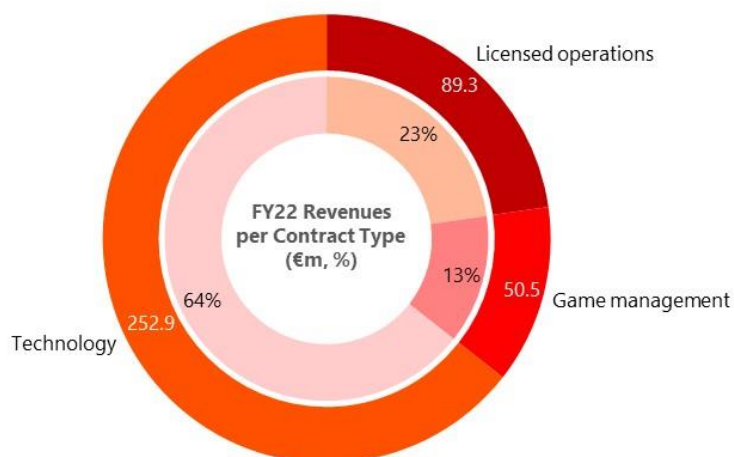
RECENT / SIGNIFICANT COMPANY DEVELOPMENTS

- On December 20, 2022 INTRALOT announced that its U.S. subsidiary, "INTRALOT, Inc", has signed a five-year contract with the Ohio Lottery to implement its INTRALOT Orion Sportsbook solution. Specifically, INTRALOT will utilize current lottery equipment and infrastructure to facilitate the sports betting journey for retailers and customers throughout the state of Ohio. The project went live in January 2023 in about 1,000 retail locations. "INTRALOT, Inc." has received a provisional license through the Ohio Casino Control Commission to operate this contract and expects the final five-year license to be issued shortly.
- On February 15, 2023 INTRALOT S.A. announced that Mr. Nikolaos Nikolakopoulos steps down as Member of the Board and Deputy CEO in order to become CEO of its 100% subsidiary "INTRALOT, Inc", in the United States.
- On March 21, 2023 INTRALOT announced that Mr. Fotis Konstantellos steps down as Member of the Board and Deputy CEO. He is replaced as Member of the BoD by Mr. Konstantinos Farris who will also assume the position of Group Chief Technology Officer. Mr. Farris had served as CTO of INTRALOT in the years 1997-2016.
- On March 21, 2023 INTRALOT, Inc announced the appointment of Mr. Richard Bateson as Chief Commercial Officer. Mr. Bateson will be joining the US senior management team reporting directly to INTRALOT US's CEO.
- On April 6, 2023 INTRALOT announced that its U.S. subsidiary, "INTRALOT, Inc", signed a 3-year contract, including an option of three annual extensions, with British Columbia Lottery Corporation (BCLC) for the provision of its next-generation sports betting platform INTRALOT Orion and relevant managed services, to enable the operations and management of BCLC's retail sportsbook.

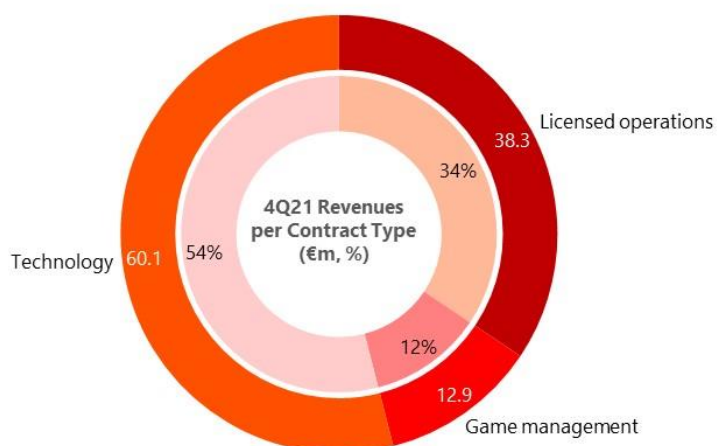
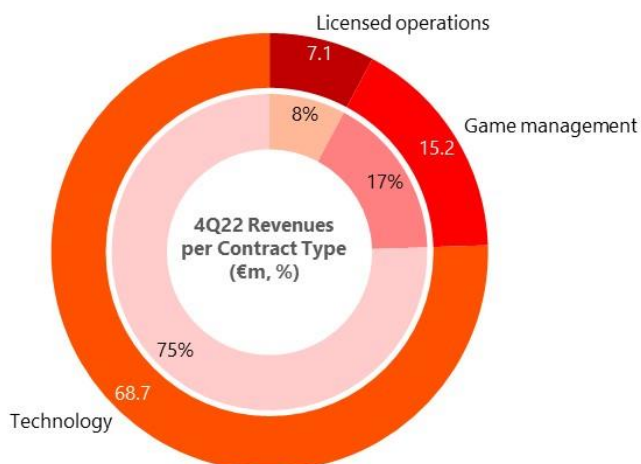
APPENDIX

Performance per Business Segment⁹

YTD Performance



Quarterly Performance



Performance per Geography

Revenue Breakdown

(in € million)	FY22	FY21	% Change
Europe	123.4	181.1	-31.8%
Americas	235.1	215.5	9.1%
Other	69.9	61.2	14.2%
Eliminations	(35.6)	(43.8)	-
Total Consolidated Sales	392.8	414.0	-5.1%

⁹ 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

<i>(in € million)</i>	FY22	FY21	% Change
Europe	16.2	12.8	26.3%
Americas	71.0	58.5	21.3%
Other	57.4	45.6	25.7%
Eliminations	(16.8)	(3.1)	-
Total Consolidated Gross Profit	127.7	113.8	12.2%

Gross Margin Breakdown

	FY22	FY21	% Change
Europe	13.1%	7.1%	+ 6.0pps
Americas	30.2%	27.2%	+ 3.0pps
Other	82.1%	74.6%	+ 7.5pps
Total Consolidated Gross Margin	32.5%	27.5%	+ 5.0pps

INTRALOT Parent Company results

- **Revenue** for the period decreased by 16.3%, to €36.7m, with the decrease attributable mainly to lower rendering of services towards the Group's subsidiaries in the current period.
- **EBITDA** shaped at €2.6m from €-0.5m in FY21, with the positive variance stemming from the improved margins and cost containments.
- **Earnings after Taxes (EAT)** at €-18.6m from €27.8m in FY21, impacted mainly by the non-cash gain following the balance sheet optimization transaction that concluded within 3Q21.

<i>(in € million)</i>	FY22	FY21	% Change
Revenue	36.7	43.8	-16.3%
Gross Profit	6.9	5.7	20.3%
Other Operating Income ¹⁰	0.7	1.6	-53.9%
OPEX ¹⁰	(18.3)	(21.6)	-15.5%
EBITDA¹⁰	2.6	(0.5)	-
EAT	(18.6)	27.8	-
CAPEX (paid)	(2.8)	(2.6)	8.9%

¹⁰ Other Operating Income, Operating Expenses and EBITDA lines presented exclude the expenditures and recharges related to capital structure optimization.

CONFERENCE CALL INVITATION – FY22 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 Full Year 2022 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 Tuesday, April 11th, 2023 (before the opening of the ATHEX trading session).

AGENDA: Brief Presentation - Question and Answer Session

CONFERENCE CALL DETAILS

Date: Tuesday, April 11th, 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/intralotFY22.html>

DIGITAL PLAYBACK

There will be a digital playback on April 11th, 2023, at 19:00 (GR Time).
This Service will be available until the end of the business day April 20th, 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>	FY22	FY21	% Change	4Q22	4Q21	% Change
Revenue	392.8	414.0	-5.1%	91.0	111.2	-18.1%
Gross Profit	127.7	113.8	12.2%	41.2	27.4	50.4%
Other Operating Income	24.9	21.6	15.2%	6.9	5.7	21.0%
OPEX	(99.8)	(96.0)	3.9%	(29.6)	(28.0)	5.5%
EBITDA	122.9	110.4	11.3%	34.8	27.8	25.1%
<i>Margin %</i>	31.3%	26.7%	+ 4.6pps	38.2%	25.0%	+ 13.2pps
Capital Structure Optimization expenses	(1.2)	(17.2)	-92.9%	(0.1)	(0.3)	-70.7%
D&A	(70.1)	(71.0)	-1.4%	(16.3)	(22.8)	-28.4%
EBIT	51.6	22.2	132.1%	18.4	4.8	286.9%
Interest and related expenses (net)	(36.7)	(13.6)	170.7%	(9.3)	(9.9)	-5.8%
Exchange differences	(0.4)	(1.2)	-62.4%	(0.8)	(3.4)	-77.1%
Other	15.3	29.6	-48.2%	2.0	(11.2)	-
EBT	29.8	37.1	-19.8%	10.4	(19.7)	-
NIATMI	11.9	17.5	-31.9%	12.4	(18.0)	-
NIATMI continuing	6.3	26.6	-76.2%	12.4	(18.0)	-
NIATMI discontinued	5.6	(9.1)	-	-	-	-

Group Statement of Financial Position

<i>(in € million)</i>	FY22	FY21
Tangible Assets (incl. investment properties)	116.3	123.2
Intangible Assets	208.6	204.3
Other Non-Current Assets	56.0	49.0
Inventories	23.9	18.7
Trade and Other Short-term Receivables	109.9	105.1
Cash and Cash Equivalents	102.4	107.3
Total Assets	617.1	607.6
Share Capital	111.4	45.7
Share Premium	62.1	-
Other Equity Elements	(281.4)	(169.1)
Reserves from profit / (loss) recognized directly in other comprehensive income and related to assets held for sale	-	-
Non-Controlling Interests	20.2	8.0
Total Shareholders' Equity	(87.7)	(115.5)
Long-term Debt	570.4	588.0
Provisions/ Other Long-term Liabilities	28.8	19.2
Short-term Debt	22.5	16.5
Other Short-term Liabilities	83.2	99.4
Total Liabilities	704.8	723.1
Total Equity and Liabilities	617.1	607.6

Group Statement of Cash Flows

<i>(in € million)</i>	FY22	FY21
EBT from continuing operations	29.8	37.1
EBT from discontinued operations	5.6	(7.9)
Plus/less adjustments	89.9	86.9
Decrease/(increase) of inventories	(6.5)	(2.4)
Decrease/(increase) of receivable accounts	(6.8)	23.2
(Decrease)/increase of payable accounts	(3.4)	(33.1)
Income tax paid	(12.2)	3.8
Net Cash from Operating Activities	96.3	107.6
Net CAPEX	(26.5)	(22.9)
(Purchases) / Sales of subsidiaries & other investments	(125.1)	10.3
Interest received	3.3	2.1
Dividends received	1.1	1.2
Net Cash from Investing Activities	(147.2)	(9.3)
Proceeds from issues of shares and other equity securities	128.9	-
Treasury shares purchase	-	0.1
Cash inflows from loans	226.4	10.1
Repayment of loans	(253.8)	(13.2)
Repayment of leasing obligations	(5.4)	(3.4)
Interest and similar charges paid	(41.8)	(56.5)
Dividends paid	(3.7)	(6.5)
Reorganization costs paid	(1.0)	(17.7)
Net Cash from Financing Activities	49.6	(87.1)
Net increase / (decrease) in cash for the period	(1.3)	11.1
Exchange differences	(3.7)	(3.8)
Cash at the beginning of the period	107.3	100.0
Cash at the end of the period from total operations	102.4	107.3

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 December 2022, 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.

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