



PRESS RELEASE

INTRALOT provides an update regarding the lock-up agreement

28 June 2021

This press release relates to the disclosure of information that prior to publication qualified, or may have qualified, as inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation 596/2014.

Not for release, publication or distribution to any person located or resident in any jurisdiction where it is unlawful to distribute this press release.

We refer to the press release issued on 14 January 2021 (the "**First Press Release**") by Intralot S.A. ("**Intralot**" or the "**Company**" and, together with its subsidiaries, the "**Group**") regarding the entry of Intralot into a binding lock-up agreement (the "**Lock-up Agreement**") with an ad hoc group of noteholders (the "**Ad Hoc Group**") of its EUR 250 million senior unsecured notes due 2021 (the "**2021 SUNs**"). Members of the Ad Hoc Group hold in excess of 13% of the EUR 500 million senior unsecured notes due 2024 (the "**2024 SUNs**"). We also refer to the press release issued on 2 February 2021 announcing that the Lock-up Agreement has been executed or acceded to by entities holding directly or indirectly **82.62%** of the aggregate principal amount of the 2021 SUNs then outstanding.

The Company is pleased to provide a further update regarding the next steps with respect to its balance sheet optimisation transactions.

Capitalised terms used herein shall have the meaning provided to them in the First Press Release.

Updates to the Lock-Up Agreement

Intralot and the Majority Participating Noteholders (as defined in the Lock-Up Agreement) have entered into an agreement dated the date hereof to amend and update certain terms of the Lock-Up Agreement, including confirmation that the Company intends to implement the 2021 Note Exchange by way of a consensual debt exchange, changes to the representation and warranties provided by the Company, and updates with respect to certain commercial arrangements between the Group and Intralot, Inc. and its subsidiaries (the "**Intralot, Inc. Group**"). The Lock-Up Agreement (as amended and restated) will be made available to the Participating Noteholders (as such term is defined in the Lock-Up Agreement). Participating Noteholders should direct any queries regarding

the amendment of the Lock-Up Agreement to Lucid Issuer Services Limited as Information Agent using the contact details listed below.

The New SSNs will be issued in an aggregate principal amount of up to USD 244.6 million and will bear a cash interest rate of 7.09% in year one and two of issuance, 8.19% in year three of issuance, and 8.87% thereafter. The Group will also be provided with the option to capitalise interest at a payment-in-kind interest rate, in lieu of paying cash interest, of 9.98% for the first three years and 10.27% thereafter. Other material provisions relating to the New SSNs and the 2024 Note Exchange remain as set out in the First Press Release.

The Lock-Up Agreement contemplates that following the completion of the transaction, the Intralot, Inc. Group will operate, to the extent possible, as standalone entities. The Group and the Intralot, Inc. Group are party to an agreement that the business of supplying online gaming systems, retailer communication networks and point of sale equipment such as terminals and vending machines, and other technology and support services, to the lottery industry and in relation to sports betting activities will be carried out solely by the Intralot, Inc. Group in the territories of United States of America and its territories and possessions, Mexico, Canada and the Philippines. The Intralot, Inc. Group historically has engaged, and intends to continue to engage, in significant transactions with the Group relating to, among other things, man power support, administrative services, leasing, intellectual property and licensing costs. The Intralot, Inc. Group and the Group have entered into certain long term intellectual property licensing, services, technology, management and similar contracts or arrangements pursuant to which the Intralot, Inc. Group will have key assets supporting its lottery and sports betting businesses, enabling the Intralot, Inc. Group to achieve its strategic objectives. The pricing for certain of the intellectual property licensing agreements is based on a percentage of revenue derived from the use of the relevant intellectual property, subject in certain instances to agreed thresholds. In the period between the year ended December 31, 2020 and the year ending December 31, 2024, the Group estimates that these contracts could result in net cash payments of approximately €16.0 million from the Intralot, Inc. Group to the Group with approximately €2.0 million and €8.0 million of payments for the year ended December 31, 2020 and the projected year ending December 31, 2021, respectively, on a pro forma basis after giving effect to the transactions, excluding licenses costs and services from new projects not currently contracted.

Supplemental Indenture

With the consent of holders of 2021 SUNs representing at least a majority of the 2021 SUNs outstanding, Intralot Capital Luxembourg S.A. (the "**Lux Issuer**") has entered into a supplemental indenture dated the date hereof to amend certain terms of the 2021 SUNs, including changing the minimum denominations and integral multiple of the 2021 SUNs, amending the optional redemption notice period, removing the covenant under "Payment for Consents" and making certain other amendments.

Redemption of 2021 SUNs and Issuance of Additional 2021 SUNs

The Lux Issuer and the Company, among others, have entered into a loan facility agreement (the "**Redemption Facility**") dated the date hereof with certain members of the Ad-Hoc Group (the "**Redemption Facility Providers**"), under which an amount of €147.6 million is committed to be

made available by the Redemption Facility Providers to the Lux Issuer to redeem an equivalent amount (net of any fees, a portion of which fees, subject to the completion of the transactions, will be used by the Redemption Facility Providers to purchase New SSNs) of 2021 SUNs pursuant to the applicable optional redemption provisions of the 2021 SUNs, i.e redemption pro rata at par. Pursuant to a private placement purchase agreement, dated the date hereof (the “**Additional 2021 SUNs Purchase Agreement**”), the Lux Issuer will issue an equivalent amount of additional 2021 SUNs to the Redemption Facility Providers in exchange for the cancellation of the Redemption Facility.

The entry into the Redemption Facility and the Additional 2021 SUNs Purchase Agreement mark a significant step towards the Group’s efforts to implement its balance sheet optimisation transactions by way of consensual debt exchange offers.

Other

The Lock-up Agreement and copies of all documentation relating to the Lock-up Agreement, together with any updates, will be available to holders of 2021 SUNs on the dedicated website: www.lucid-is.com/intralot/. Access to such dedicated website will be subject to holders of 2021 SUNs providing evidence of holdings satisfactory to the Information Agent.

Information Agent Contact Details

Lucid Issuer Services Limited

Email: intralot@lucid-is.com

Phone: + 44 20 7704 0880

Attention: Oliver Slyfield / Sunjeeve Patel

Any noteholder who wish to discuss the transactions described in the Lock-up Announcement should contact **Evercore Partners International LLP**, who are acting as financial advisors to the Company at **Project-SyntaxEVR@evercore.com**.

Noteholders may wish to contact the Ad Hoc Group via their financial advisors Houlihan Lokey and AXIA Ventures Group Limited.

Houlihan Lokey EMEA, LLP

AXIA Ventures Group Limited

Email: ProjectLegendHL@hl.com

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Houlihan Lokey EMEA, LLP, which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, and AXIA Ventures Group Limited, which is regulated by the Cyprus Securities and Exchange Commission, are acting exclusively for the members of the Ad Hoc Group in connection with the matters set out in this press release and for no one else and will not be responsible to anyone other than such persons for providing the protections afforded to its clients or for providing advice in relation to the matters set out in this press release.

Disclaimer

This announcement may include certain statements, estimates, targets and projections provided by the Company with respect to the anticipated future performance of the Company and the Group (together the “**forward-looking statements**”). In some cases, these forward-looking statements can

be identified by the use of forward-looking terminology, including the words “believes”, “could”, “estimates”, “anticipates”, “aims”, “expects”, “intends”, “may”, “will”, “plans”, “continue”, “ongoing”, “potential”, “predict”, “project”, “target,” “seek”, “should” or “would” or, in each case, their negative or other variations or comparable terminology or by discussions of strategies, plans, objectives, targets, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. You should not place undue reliance on these forward-looking statements. Such forward-looking statements reflect significant assumptions and subjective judgements by the Company’s management concerning anticipated results. These assumptions and judgements may or may not prove to be correct and there can be no assurance that any estimates, targets or projections are attainable or will be realised. Accordingly, neither the Company nor any member of the Group (nor any of its or their respective directors, partners, employees or advisors) nor any other person, shall give any representation or warranty as to the achievements or reasonableness of future projections, estimates or targets nor will they be liable for any direct, indirect or consequential loss or damage suffered by any person as a result of relying on any statement in or omission from this press release; any such liability is expressly disclaimed. Any forward-looking statements are only made as of the date of this press release, and we do not intend, and do not assume any obligation, to update forward-looking statements set forth in this press release. You should interpret all subsequent written or oral forward-looking statements attributable to the Company or to persons acting on its behalf as being qualified by the cautionary statements in this note. As a result, you should not place undue reliance on these forward-looking statements.

The completion of the transactions described in the Lock-up Announcement is subject to various conditions, including but not limited to the approval of the transactions and agreement of its terms by prescribed percentages of the Group’s noteholders. Notwithstanding the support of a substantial number of the holders of the 2021 SUNs, there can be no assurance that the transactions will be completed on the terms currently envisaged, or at all.

This press release is not an offer to sell or a solicitation of an offer to buy or exchange or acquire securities in the United States or in any other jurisdiction and no offer, tender offer, sale, exchange or acquisition of securities is proposed in a jurisdiction where such offer, tender offer, sale, exchange or acquisition would be illegal. The securities mentioned in this announcement have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), or the laws of any other jurisdiction, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.