

The logo for Intralot, featuring the word "intralot" in a bold, lowercase, sans-serif font. The letters are black, and the word is underlined by a thick, orange, horizontal brushstroke that tapers to the right.

INTRALOT Group

**INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED MARCH 31, 2020
ACCORDING TO
INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)**

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INCOME STATEMENT GROUP / COMPANY FOR THE FIRST QUARTER OF 2020

Amounts reported in thousand €	Note	GROUP		COMPANY	
		1/1-31/3/2020	1/1-31/3/2019	1/1-31/3/2020	1/1-31/3/2019
Sale Proceeds	2.2	101.945	192.699	10.286	8.763
Less: Cost of Sales		-81.764	-152.914	-10.160	-10.439
Gross Profit / (loss)		20.181	39.785	126	-1.676
Other Operating Income	2.3	3.672	4.901	37	261
Selling Expenses		-6.847	-10.822	-2.259	-2.623
Administrative Expenses		-18.512	-19.904	-3.857	-3.683
Research and Development Expenses		-655	-1.111	-655	-1.111
Other Operating Expenses	2.7	-468	-574	-121	-176
EBIT	2.1.5	-2.629	12.275	-6.729	-9.008
EBITDA	2.1.5	15.773	31.795	-2.391	-4.176
Income/(expenses) from participations and investments	2.5	193	8	47	3.757
Gain/(loss) from assets disposal, impairment loss and write-off of assets	2.6	54	-2.328	0	0
Interest and similar expenses	2.8	-12.729	-13.204	-4.979	-4.832
Interest and similar income	2.8	691	2.171	886	986
Foreign exchange differences	2.9	-460	3.735	813	-97
Profit / (loss) from equity method consolidations		-154	-873	0	0
Gain/(loss) on net monetary position	2.23	188	230	0	0
Operating Profit/(loss) before tax from continuing operations		-14.846	2.014	-9.962	-9.194
Tax	2.4	-1.954	-5.925	-264	-204
Profit / (loss) after tax from continuing operations (a)		-16.800	-3.911	-10.226	-9.398
Profit / (loss) after tax from discontinued operations (b) ¹	2.20	0	1.053	0	0
Profit / (loss) after tax (continuing and discontinued operations) (a)+(b)		-16.800	-2.858	-10.226	-9.398
Attributable to:					
Equity holders of parent					
-Profit/(loss) from continuing operations		-17.568	-13.250	-10.226	-9.398
-Profit/(loss) from discontinued operations ¹	2.20	0	1.054	0	0
		-17.568	-12.196	-10.226	-9.398
Non-Controlling Interest					
-Profit/(loss) from continuing operations		768	9.339	0	0
-Profit/(loss) from discontinued operations ¹	2.20	0	-1	0	0
		768	9.338	0	0
Earnings/(loss) after tax per share (in €) from total operations					
-basic	2.20	-0,1189	-0,0825	-0,0692	-0,0636
-diluted	2.20	-0,1189	-0,0825	-0,0692	-0,0636
Weighted Average number of shares		147.761.688	147.761.688	147.761.688	147.761.688

¹ The activities of the Group subsidiary Totolotek SA (Poland) and the associate company Gamenet Group SpA (Italy) are presented as discontinued operations pursuant to IFRS 5 (note [2.20.A.VIII](#)).

STATEMENT OF COMPREHENSIVE INCOME GROUP / COMPANY FOR THE FIRST QUARTER OF 2020

Amounts reported in thousand €	Note	GROUP		COMPANY	
		1/1-31/3/2020	1/1-31/3/2019	1/1-31/3/2020	1/1-31/3/2019
Net Profit / (loss) after tax (continuing and discontinued operations) (a)+(b)		-16.800	-2.858	-10.226	-9.398
Attributable to:					
Equity holders of parent Company					
-Profit/(loss) from continuing operations		-17.568	-13.250	-10.226	-9.398
-Profit/(loss) from discontinued operations ¹	2.20	0	1.054	0	0
		-17.568	-12.196	-10.226	-9.398
Non-Controlling Interest					
-Profit/(loss) from continuing operations		768	9.339	0	0
-Profit/(loss) from discontinued operations ¹	2.20	0	-1	0	0
		768	9.338	0	0
Other comprehensive income after tax					
Amounts that may not be reclassified to profit or loss:					
Defined benefit plans revaluation for subsidiaries and parent company		-20	26	0	0
Defined benefit plans revaluation for associates and joint ventures		0	15	0	0
Valuation of assets measured at fair value through other comprehensive income of parent and subsidiaries	2.12	-149	57	-20	14
Amounts that may be reclassified to profit or loss:					
Exchange differences on subsidiaries consolidation	2.15	-2.015	-1.087	0	0
Share of exchange differences on consolidation of associates and joint ventures	2.15	170	785	0	0
Other comprehensive income/ (expenses) after tax		-2.014	-204	-20	14
Total comprehensive income / (expenses) after tax		-18.814	-3.062	-10.246	-9.384
Attributable to:					
Equity holders of parent		-18.801	-10.529	-10.246	-9.384
Non-Controlling Interest		-13	7.467	0	0

¹ The activities of the Group subsidiary Totolotek SA (Poland) and the associate company Gamenet Group SpA (Italy) are presented as discontinued operations pursuant to IFRS 5 (note [2.20.A.VIII](#)).

STATEMENT OF FINANCIAL POSITION GROUP/COMPANY

Amounts reported in thousand €	Note	GROUP		COMPANY	
		31/3/2020	31/12/2019	31/3/2020	31/12/2019
ASSETS					
Tangible assets	2.10	159.070	168.708	27.558	28.430
Intangible assets	2.10	236.546	242.866	80.773	82.729
Investment in subsidiaries, associates and joint ventures	2.11	36.497	37.307	142.087	154.101
Other financial assets	2.12	256	414	19	39
Deferred Tax asset		5.392	5.628	0	0
Other long term receivables	2.19	5.333	4.073	517	133
Total Non-Current Assets		443.094	458.996	250.954	265.432
Inventories	2.13	34.569	35.607	8.600	10.733
Trade and other short term receivables	2.19	135.627	131.735	104.666	100.999
Other financial assets	2.12	19	18	0	0
Cash and cash equivalents	2.14	142.031	171.114	19.298	16.172
Total Current Assets		312.246	338.474	132.564	127.904
TOTAL ASSETS		755.340	797.470	383.518	393.336
EQUITY AND LIABILITIES					
Share capital	2.15	47.089	47.089	47.089	47.089
Treasury shares	2.15	-8.528	-8.528	-8.528	-8.528
Other reserves	2.15	65.097	67.292	55.263	55.283
Foreign exchange differences	2.15	-88.970	-87.903	0	0
Retained earnings	2.16	-126.491	-111.321	-55.487	-45.261
Total equity attributable to shareholders of the parent		-111.803	-93.371	38.337	48.583
Non-Controlling Interest		-7.815	197	0	0
Total Equity		-119.618	-93.174	38.337	48.583
Long term debt	2.17	716.840	716.674	283.554	278.908
Staff retirement indemnities		3.864	3.807	3.428	3.358
Other long term provisions	2.20	10.309	11.149	10.254	11.000
Deferred Tax liabilities		10.542	10.597	5.584	5.320
Other long term liabilities	2.19	1.776	2.002	143	167
Long term lease liabilities	2.21	9.340	10.681	1.541	1.580
Total Non-Current Liabilities		752.671	754.910	304.504	300.333
Trade and other short term liabilities	2.19	89.599	91.797	39.673	42.812
Short term debt and lease liabilities	2.17	26.915	37.870	847	785
Current income tax payable		3.273	3.134	0	472
Short term provision	2.20	2.500	2.933	157	351
Total Current Liabilities		122.287	135.734	40.677	44.420
TOTAL LIABILITIES		874.958	890.644	345.181	344.753
TOTAL EQUITY AND LIABILITIES		755.340	797.470	383.518	393.336

STATEMENT OF CHANGES IN EQUITY GROUP

STATEMENT OF CHANGES IN EQUITY INTRALOT GROUP (Amounts reported in thousand of €)	Share Capital	Treasury Shares	Legal Reserve	Other Reserves	Foreign exchange differences	Retained Earnings	Reserves related to assets held for sale	Total	Non- Controlling Interest	Grand Total
Opening Balance January 1, 2020	47.089	-8.528	25.040	42.252	-87.903	-111.321	0	-93.371	197	-93.174
Effect on retained earnings from previous years adjustments						321		321	-127	194
Period's results						-17.568		-17.568	768	-16.800
Other comprehensive income / (expenses) after tax				-149	-1.067	-17		-1.233	-781	-2.014
Dividends to equity holders of parent / non-controlling interest								0	-7.334	-7.334
Change of consolidation method								0	-586	-586
Adjustment to net monetary position			11			37		48	48	96
Transfer between reserves			-2.057			2.057		0		0
Balances as at March 31, 2020	47.089	-8.528	22.994	42.103	-88.970	-126.491	0	-111.803	-7.815	-119.618

STATEMENT OF CHANGES IN EQUITY INTRALOT GROUP (Amounts reported in thousand of €)	Share Capital	Treasury Shares	Legal Reserve	Other Reserves	Foreign exchange differences	Retained Earnings	Reserves related to assets held for sale ¹	Total	Non- Controlling Interest	Grand Total
Opening Balance January 1, 2019	47.089	-8.528	24.795	40.167	-87.955	-9.268	0	6.300	28.145	34.445
Effect on retained earnings from previous years adjustments						-20		-20	1	-19
Period's results						-12.196		-12.196	9.338	-2.858
Other comprehensive income / (expenses) after tax				58	1.581	28		1.667	-1.871	-204
Dividends to equity holders of parent / non-controlling interest								0	-8.584	-8.584
Discontinued operations ¹					-470		470	0		0
Associate companies stock options						70		70		70
Adjustment to net monetary position			53					53	53	106
Transfer between reserves			-725			725		0		0
Balances as at March 31, 2019	47.089	-8.528	24.123	40.225	-86.844	-20.661	470	-4.126	27.082	22.956

¹ Reserves from profit / (loss) recognized directly in other comprehensive income and are related to assets held for sale (note [2.20.A.VIII](#))

STATEMENT OF CHANGES IN EQUITY COMPANY

STATEMENT OF CHANGES IN EQUITY INTRALOT S.A. (Amounts reported in thousand of €)	Share Capital	Treasury Shares	Legal Reserve	Other Reserves	Retained Earnings	Total
Opening Balance January 1, 2020	47.089	-8.528	15.896	39.387	-45.261	48.583
Period's results					-10.226	-10.226
Other comprehensive income /(expenses) after tax				-20		-20
Balances as at March 31, 2020	47.089	-8.528	15.896	39.367	-55.487	38.337

STATEMENT OF CHANGES IN EQUITY INTRALOT S.A. (Amounts reported in thousand of €)	Share Capital	Treasury Shares	Legal Reserve	Other Reserves	Retained Earnings	Total
Opening Balance January 1, 2019	47.089	-8.528	15.896	37.229	-34.804	56.882
Period's results					-9.398	-9.398
Other comprehensive income /(expenses) after tax				14		14
Balances as at March 31, 2019	47.089	-8.528	15.896	37.243	-44.202	47.498

CASH FLOW STATEMENT GROUP/COMPANY

Amounts reported in thousand of € (total operations)	Note	GROUP		COMPANY	
		1/1- 31/3/2020	1/1- 31/3/2019	1/1- 31/3/2020	1/1- 31/3/2019
Operating activities					
Profit / (loss) before tax from continuing operations		-14.846	2.014	-9.962	-9.194
Profit / (loss) before tax from discontinued operations	2.20	0	1.053	0	0
Profit / (loss) before Taxation		-14.846	3.067	-9.962	-9.194
Plus / Less adjustments for:					
Depreciation and Amortization		18.402	19.595	4.338	4.832
Provisions		385	2.905	82	35
Results (income, expenses, gain and loss) from Investing Activities		362	-5.381	-861	-3.660
Interest and similar expenses	2.8	12.729	13.265	4.979	4.832
Interest and similar Income	2.8	-691	-2.172	-886	-986
(Gain) / loss on net monetary position	2.23	-188	-230	0	0
Plus / Less adjustments for changes in working capital:					
Decrease / (increase) of Inventories		1.041	844	2.131	-121
Decrease / (increase) of Receivable Accounts		-156	-9.020	2.896	7.467
(Decrease) / increase of Payable Accounts (except Banks)		-2.032	-3.226	-4.158	-6.160
Less: Income Tax Paid		5.538	20	5.043	0
Total inflows / (outflows) from operating activities (a)		9.468	19.627	-6.484	-2.955
Investing Activities					
(Purchases) / Sales of subsidiaries, associates, joint ventures and other investments	2.12 2.20	-1.187	655	9.971	0
Purchases of tangible and intangible assets	2.10	-5.590	-17.370	-1.922	-2.435
Proceeds from sales of tangible and intangible assets	2.10	23	3	0	0
Interest received		610	1.870	280	342
Dividends received		965	0	1.777	3.367
Total inflows / (outflows) from investing activities (b)		-5.179	-14.842	10.106	1.274
Financing Activities					
Proceeds from loans	2.17	27.516	33.097	0	0
Repayment of loans	2.17	-27.192	-28.400	0	-10.100
Repayments of lease liabilities	2.17	-1.762	-5.602	-69	-119
Interest and similar expenses paid		-22.173	-22.788	-453	-2.765
Dividends paid	2.16	-7.853	-9.170	0	0
Total inflows / (outflows) from financing activities (c)		-31.464	-32.863	-522	-12.984
Net increase / (decrease) in cash and cash equivalents for the period (a) + (b) + (c)		-27.175	-28.078	3.100	-14.665
Cash and cash equivalents at the beginning of the period	2.14	171.114	162.461	16.172	33.146
Net foreign exchange difference		-1.908	260	26	-235
Cash and cash equivalents at the end of the period from total operations	2.14	142.031	134.643	19.298	18.246
Less: Cash and cash equivalents at the end of the period from discontinued operations	2.20	0	-920	0	0
Cash and cash equivalents at the end of the period from continued operations	2.14	142.031	133.723	19.298	18.246

1. GENERAL INFORMATION

INTRALOT S.A. – “Integrated Lottery Systems and Gaming Services”, with the distinct title «INTRALOT» is a business entity that was established based on the Laws of Hellenic Republic, whose shares are traded in the Athens Stock Exchange. Reference to «INTRALOT» or the «Company» includes INTRALOT S.A. whereas reference to the «Group» includes INTRALOT S.A. and its fully consolidated subsidiaries, unless otherwise stated. The Company was established in 1992 and has its registered office in Maroussi of Attica.

INTRALOT, a public listed company, is the leading supplier of integrated gaming and transaction processing systems, innovative game content, sports betting management and interactive gaming services to state-licensed gaming organizations worldwide. Its broad portfolio of products & services, its know-how of Lottery, Betting, Racing & Video Lottery operations and its leading-edge technology, give INTRALOT a competitive advantage, which contributes directly to customers’ efficiency, profitability and growth. With presence in 44 countries and states, with approximately 3.800 employees and revenues from continuing operations of €0,7 billion for 2019, INTRALOT has established its presence on all 5 major continents.

The interim financial statements of the Group and the Company for the period ended March 31, 2020 were approved by the Board of Directors on June 4, 2020.

2. NOTES TO THE INTERIM FINANCIAL STATEMENTS

2.1.1 Basis of preparation of the Financial Statements

The attached financial statements have been prepared on the historical cost basis, except for the financial assets measured at fair value through other comprehensive income and the derivative financial instruments that are measured at fair value, or at cost if the difference is not a significant amount, and on condition that the Company and the Group would continue as a going concern, as described below. The attached financial statements are presented in Euros and all values are rounded to the nearest thousand (€000) except if indicated otherwise.

Going concern

The Group maintains sufficient liquidity, while at the same time there are unused available bank facilities that can be used under certain conditions to deal with a possible shortage of cash at the Group level in the near future.

The continuous efforts of the Management for further sales increase and operating costs reduction through restructuring and development of synergies, as well as for improvement of the efficiency and productivity will contribute to the further strengthening of the capital structure and efficiency of the Company and the Group.

However, given the imminent obligation to repay Facility A (note [2.17](#)), meeting the cash needs for the repayment of these debt obligations of the Group may require the adoption of complex financial options. Their successful adoption will remove the existence of material uncertainty about the possibility of smooth going concern of the Company and the Group, which is exclusively refers to the debt refinancing process.

In this context, the Group Management has prepared a detailed plan of Expected Cash Flows for a period up to the maturity date of Facility A.

It should be noted that recent developments regarding the spread of the COVID-19 pandemic and the restrictions and bans imposed are expected to adversely affect the results of 2020. More specifically, the lockdown ban, the closure of stores and the lack of sports betting content is the main source of impact on the Group revenue during the critical period. Therefore, evaluating the data of the first fourth months period of 2020, as well as early May

2020, and the available forecasts of the lockdown by region, all of the above were taken into account when preparing plan for Expected Cash Flows.

From the review of this plan, the Management of the Group, has concluded that no additional funds are required and there are no cash needs that cannot be met with the current conditions and the major issue remains the settlement of the repayment of Facility A.

Furthermore, in this direction INTRALOT has 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.

In conclusion, the Management, taking into account the Plan of Expected Cash Flows and all available information on the foreseeable future, as well as the strategic alternatives that is working on for optimizing the Group's capital structure and deleveraging, estimates that the Group has ensured its going concern.

In view of the above, the Financial Statements of the Group were prepared on the basis of the going concern principle of continuing concern (going concern), as the Management estimates that the above actions will allow the Group to continue its operation smoothly.

2.1.2 Statement of compliance

These financial statements for the period ended March 31, 2020 have been prepared in accordance with IAS 34 "Interim Financial Reporting". Those interim condensed financial statements do not include all the information and disclosures required by IFRS in the annual financial statements and should be read in conjunction with the Group's and Company's annual financial statements as at [December 31, 2019](#).

2.1.3 Financial Statements

INTRALOT keeps its accounting books and records and prepares its financial statements in accordance with the International Financial Reporting Standards (IFRS) Law 4308/2014 chap. 2, 3 & 4 and current tax regulations and issues its financial statements in accordance with the International Financial Reporting Standards (IFRS).

INTRALOT's Greek subsidiaries keep their accounting books and records and prepare their financial statements in accordance with GAS (L.4308/2014), the International Financial Reporting Standards (IFRS) and current tax regulations. INTRALOT's foreign subsidiaries keep their accounting books and records and prepare their financial statements in accordance with the applicable laws and regulations in their respective countries. For the purpose of the consolidated financial statements, Group entities' financial statements are adjusted and prepared in relation to the requirements of the International Financial Reporting Standards (IFRS).

2.1.4 Changes in accounting policies

For the preparation of the financial statements of period ended March 31, 2020, the accounting policies adopted are consistent with those followed in the preparation of the most recent annual financial statements ([December 31, 2019](#)), except for the below mentioned adoption of new standards and interpretations applicable for fiscal periods beginning at January 1, 2020.

Standards and Interpretations compulsory for the fiscal year 2020

New standards, amendments of published standards and interpretations mandatory for accounting periods beginning on 1st January 2020. The Group's assessment of the impact of these new and amended standards and interpretations is set out below.

IFRS 3 (Amendment) "Business Combinations"

(COMMISSION REGULATION (EU) No. 2020/551 of 21st April 2020, L 127/13 -22/4/2020)

This applies to annual accounting periods starting on or after 1st January 2020. Earlier application is permitted. In October 2018 the IASB issued narrow-scope amendments to IFRS 3 "Business Combinations" to improve the definition of a business. The amendments will help companies determine whether an acquisition made is of a business or a group of assets. The amended definition emphasizes that the output of a business is to provide goods and services to customers, whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits to investors and others. In addition to amending the wording of the definition, the Board has provided supplementary guidance. Distinguishing between a business and a group of assets is important because an acquirer recognizes goodwill only when acquiring a business.

This amendment does not significantly affect the Group's financial statements.

IAS 1 & IAS 8 (Amendments) "Clarification of "material" definition"

(COMMISSION REGULATION (EU) No. 2019/2104 of 29th November 2019, L 318/74 -10/12/2019)

This applies to annual accounting periods starting on or after 1st January 2020. Earlier application is permitted. In October 2018 the IASB issued amendments to IAS 1 "Presentation of Financial Statements" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" regarding its definition of material to make it easier for companies to make materiality judgments. The definition of material, an important accounting concept in IFRS Standards, helps companies decide whether information should be included in their financial statements. The amendments are a response to findings that some companies experienced difficulties using the old definition when judging whether information was material for inclusion in the financial statements. The amendments clarify the definition of material and how it should be applied by including in the definition guidance that until now has featured elsewhere in IFRS Standards. In addition, the explanations accompanying the definition have been improved. Finally, the amendments ensure that the definition of material is consistent across all IFRS Standards. Old definition: Omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions that users make on the basis of the financial statements (IAS 1 Presentation of Financial Statements).

New definition: Information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

These amendments do not significantly affect the Group's financial statements.

IFRS 9, IAS 39 and IFRS 7 (Amendments) "Interest Rates Benchmark Reform"

(COMMISSION REGULATION (EU) No. 2020/34 of 15th January 2020, L 12/5 - 16/1/2020)

This applies to annual accounting periods starting on or after 1st January 2020. Earlier application is permitted. In September 2019, the IASB issued amendments to some specific hedge accounting requirements to provide relief from potential effects of the uncertainty caused by the Interest Rates Benchmark reform. The amendments

are designed to support the provision of useful financial information by companies during the period of uncertainty arising from the phasing out of interest rate benchmarks such as interbank offered rates (IBORs). It requires companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties.

These amendments do not significantly affect the Group's financial statements.

Revision of the Conceptual Framework for Financial Reporting

(COMMISSION REGULATION (EU) No. 2019/2075 of 29th November 2019, L 316/10 - 6/12/2019)

This applies to annual accounting periods starting on or after 1st January 2020.

In March 2018, the IASB issued the revised Conceptual Framework for Financial Reporting (Conceptual Framework), the objective of which was to incorporate some important issues that were not covered, as well as update and clarify some guidance that was unclear or out of date. The revised Conceptual Framework includes a new chapter on measurement, which analyzes the concept on measurement, including factors to be considered when selecting a measurement basis, concepts on presentation and disclosure, and guidance on derecognition of assets and liabilities from financial statements. In addition, the revised Conceptual Framework includes improved definitions of an asset and a liability, guidance supporting these definitions, update of recognition criteria for assets and liabilities, as well as clarifications in important areas, such as the roles of stewardship, prudence and measurement uncertainty in financial reporting.

This revision does not significantly affect the Group's financial statements.

Amendments to References to the Conceptual Framework in IFRS Standards

(COMMISSION REGULATION (EU) No. 2019/2075 of 29th November 2019, L 316/10 - 6/12/2019)

This applies to annual accounting periods starting on or after 1st January 2020.

In March 2018, the IASB issued Amendments to References to the Conceptual Framework, following its revision. Some Standards include explicit references to previous versions of the Conceptual Framework. The objective of these amendments is to update those references so that they refer to the revised Conceptual Framework and to support transition to the revised Conceptual Framework.

These amendments do not significantly affect the Group's financial statements.

Standards and Interpretations compulsory after 31 December 2020

The following new standards, amendments and IFRICs have been published but are in effect for the annual fiscal period beginning the 1st of January 2021 and have not been adopted from the Group earlier.

IFRS 17 "Insurance Contracts"

This applies to annual accounting periods starting on or after 1st January 2021. Earlier application is permitted.

In May 2017, the IASB issued a new accounting Standard, called IFRS 17 "Insurance Contracts" that replaces IFRS 4 "Insurance Contracts", which was brought in as an interim Standard in 2004. IFRS 4 has given companies dispensation to carry on accounting for insurance contracts using national accounting standards, resulting in a multitude of different approaches. As a consequence, it is difficult for investors to compare and contrast the financial performance of otherwise similar companies. IFRS 17 solves the comparison problems created by IFRS 4 by requiring all insurance contracts to be accounted for in a consistent manner, benefiting both investors and

insurance companies. Insurance obligations will be accounted for using current values, instead of historical cost. The information will be updated regularly, providing more useful information to users of financial statements. This new standard does not affect Group financial statements and has not yet been endorsed by the European Union.

IAS 1 (Amendment) "Classification of Liabilities as Current or Non-current"

This applies to annual accounting periods starting on or after 1st January 2022. Earlier application is permitted. In January 2020 the IASB issued amendment to IAS 1 "Presentation of Financial Statements" that affect requirements for the presentation of liabilities. Specifically, they clarify one of the criteria for classifying a liability as non-current, the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments include: (a) specifying that an entity's right to defer settlement must exist at the end of the reporting period; (b) clarifying that classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement; (c) clarifying how lending conditions affect classification; and (d) clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.

The Group will assess the impact of the amendment on its financial statements. These amendments have not yet been endorsed by the European Union.

These amendments have not yet been endorsed by the European Union.

2.1.5 EBITDA & EBIT

International Financial Reporting Standards (IFRS) do not define the content of the "EBITDA" & "EBIT". The Group taking into account the nature of its activities, defines "EBITDA" as "Operating Profit/(Loss) before tax" adjusted for the figures "Profit/(loss) from equity method consolidations", "Profit/(loss) on net monetary position", "Exchange Differences", "Interest and similar income", "Interest and similar expenses", "Income/(expenses) from participations and investments", "Write-off and impairment loss of assets", "Gain/(loss) from assets disposal" and "Assets depreciation and amortization". Also, the Group defines "EBIT" as "Operating Profit/(Loss) before tax" adjusted for the figures "Profit/(loss) from equity method consolidations", "Profit/(loss) on net monetary position", "Exchange Differences", "Interest and similar income", "Interest and similar expenses", "Income/(expenses) from participations and investments", "Write-off and impairment loss of assets" and "Gain/(loss) from assets disposal".

Reconciliation of operating profit before tax to EBIT and EBITDA (continuing operations):	GROUP	
	1/1-31/3/2020	1/1-31/3/2019
Operating profit/(loss) before tax	-14.846	2.014
Profit/(loss) on net monetary position	-188	-230
Profit/(loss) equity method consolidation	154	873
Foreign exchange differences	460	-3.735
Interest and similar income	-691	-2.171
Interest and similar expenses	12.729	13.204
Income / (expenses) from participations and investments	-193	-8
Gain / (loss) from assets disposal, impairment losses & write-off of assets	-54	2.328
EBIT	-2.629	12.275
Depreciation and amortization	18.402	19.520
EBITDA	15.773	31.795

Reconciliation of operating profit before tax to EBIT and EBITDA (continuing operations):	COMPANY	
	1/1-31/3/2020	1/1-31/3/2019
Operating profit/(loss) before tax	-9.962	-9.194
Foreign exchange differences	-813	97
Interest and similar income	-886	-986
Interest and similar expenses	4.979	4.832
Income / (expenses) from participations and investments	-47	-3.757
Gain / (loss) from assets disposal, impairment losses & write-off of assets	0	0
EBIT	-6.729	-9.008
Depreciation and amortization	4.338	4.832
EBITDA	-2.391	-4.176

Project EBITDA of the Company

For the calculation of the project EBITDA of the Company, the direct costs of the projects are allocated directly to the projects for which they are carried out. Payroll costs related to the Company's production segments are recorded in "Cost of Sales" and are allocated to projects based on man effort at Company level. "Distribution Expenses" and "Administration Expenses" are monitored per project and allocated to them based on man effort at Company level. "Research and Development Expenses" are allocated to the projects in proportion to the revenues of each project in the total revenue of the Company. Furthermore, for the calculation of the Company's "Gross" results per project, the relevant depreciation of tangible and intangible assets are accounted and the allocated operating "Distribution", "Administration" and "Research and Development" expenses are deducted. In cases where the hours of work are redistributed from one project to another then the costs of disposal, administration and research and development are calculated accordingly.

2.1.6 Significant accounting judgments estimates and assumptions

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the amounts of revenues, expenses, assets liabilities and disclosures of contingent liabilities that included in the financial statements. On an ongoing basis, management evaluates its judgements, estimates and assumptions that mainly refer to goodwill impairment, allowance for doubtful receivables – expected credit losses, provision for staff retirement indemnities, provision for impairment of inventories value, impairment of tangible and intangible assets as well as estimation of their useful lives, recognition of revenue and expenses, pending legal cases, provision for income tax and recoverability of deferred tax assets. These judgements, estimates and assumptions are based on historical experience and other factors including expectations of future events that are considered reasonable under the circumstances.

The key judgements, estimates and assumptions concerning the future and other key sources of uncertainty at the reporting date of the interim condensed financial statements for the period ended on March 31, 2020 and have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year, are consistent with those applied and were valid at the reporting date of the annual financial statements [December 31, 2019](#).

More specifically, the Management of the Group evaluates the going concern assumption based on the approved business plans that cover a period of five years. Following this, it prepares Expected Cash Flows that cover a period of at least 12 months since the financial statements reporting date.

In the present fiscal year, given that there are significant events beyond the period of the initial assessment and more specifically the imminent obligation to repay the Facility A (note [2.17](#)), the Management of the Group has extended the evaluation period of going concern in order to cover the contractual maturity date for the repayment of the said Facility.

The estimates and assumptions used to prepare the business plans and Expected Cash Flows are based on historical data as well as on various factors that are considered reasonable given the circumstances, and are reconsidered taking into account current and expected future market conditions. The preparation of business plans also includes long-term assumptions for important economic factors that involve a significant use of Management judgement.

2.1.7 Seasonality and cyclicity of operations

The Group revenue can fluctuate due to seasonality in some components of the worldwide operations. In particular, the majority of the Group sports betting revenue is generated from bets placed on European football, which has an off-season in the European summer that typically causes a corresponding periodic decrease in the Group revenue. In addition, Group revenue from lotteries can be somewhat dependent on the size of jackpots of lottery games during the relevant period. The Group revenue may also be affected by the scheduling of major football events that do not occur annually, notably the FIFA World Cup and UEFA European Championships, and by the performance of certain teams within specific tournaments, particularly where the national football teams, in the markets where the Group earns the majority of its revenue, fail to qualify for the World Cup. Furthermore, the cancellation or curtailment of significant sporting events, for example due to adverse weather, traffic or transport disruption or civil disturbances, may also affect Group revenue. This information is provided to allow for a better understanding of the revenue, however, Group management has concluded that this is not "highly seasonal" in accordance with IAS 34.

2.2 INFORMATION PER SEGMENT

Intralot Group manages in 44 countries and states an expanded portfolio of contracts and gaming licenses. The grouping of the Group companies is based on the geographical location in which they are established. The financial results of the Group are presented in the following operating geographic segments based on the geographic location of the Group companies:

European Union:	Greece, Italy (until 2019), Malta, Cyprus, Poland, Luxembourg, Spain, Nederland, Romania, Bulgaria, Germany, Slovakia (until 2019), Croatia and Republic of Ireland.
Other Europe:	United Kingdon ¹ , Russia, Moldova.
America:	USA, Peru, Brazil, Argentina, Mexico, Jamaica, Chile, Colombia, Guatemala (until 2019), Uruguay (until 2019), and St. Lucia (until 2019).
Other Countries:	Australia, New Zealand, China, South Africa, Turkey, South Korea (until 2019), Lebanon (until 2019), Taiwan and Morocco.

¹ For 2020 the United Kingdom is presented under the operational segment «Other Europe», after the finalization of BREXIT at the end of January 2020, and in 2019 under the operational segment «European Union».

No operating segments have been added.

The following information is based on the internal financial reports provided to the manager responsible for taking decisions who is the CEO. The performance of the segments is evaluated based on the sales and profit/(loss) before tax. The Group applies the same accounting policies for the financial results of the above segments as those of the

consolidated financial statements. The transactions between segments are realized within the natural conditions present in the Group with similar way to that with third parties. The intragroup transactions are eliminated in group level and are included in the column "Eliminations".

United Kingdom leave from the European Union (BREXIT)

On January 30, 2020, the European Parliament approved the final agreement regarding the decision of the United Kingdom to leave the European Union (BREXIT). It is noted that the Group does not have any significant implications for the above agreement, since it doesn't have any significant commercial activity in the United Kingdom except for intercompany bank facilities agreements through its subsidiaries Intralot Finance UK Ltd, Ilot Capital UK Ltd and Ilot Investment UK Ltd.

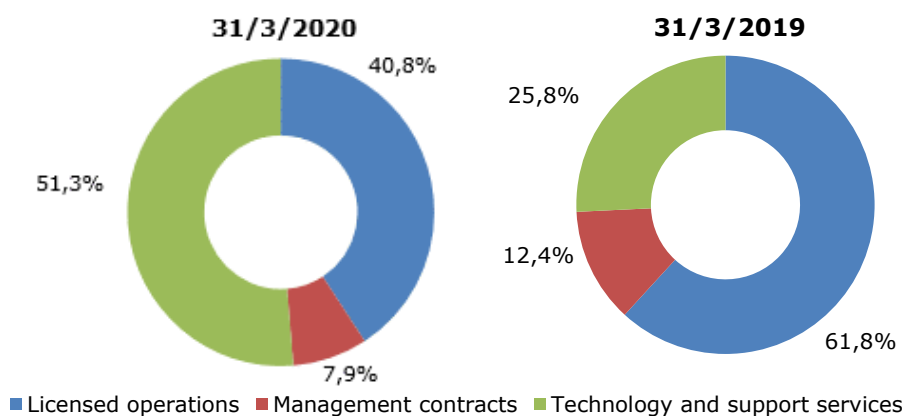
1/1-31/3/2020 (in million €)	European Union	Other Europe	America	Other Countries	Eliminations	Total
Sales to third parties	38,40	0,00	49,58	13,97	0,00	101,95
Intragroup sales	9,50	0,00	0,10	0,03	-9,63	0,00
Total Sales	47,90	0,00	49,68	14,00	-9,63	101,95
Gross Profit/(loss)	3,66	0,00	9,11	9,73	-2,32	20,18
(Debit)/Credit interest & similar (expenses)/income	-12,04	1,51	-1,48	-0,22	0,19	-12,04
Depreciation/Amortization	-9,99	0,00	-7,96	-1,10	0,65	-18,40
Profit/(loss) consolidated with equity method	0,00	0,00	0,32	-0,47	0,00	-0,15
Write-off & impairment of assets	0,00	0,00	0,00	0,00	0,00	0,00
Write-off & impairment of investments	-8,58	0,00	0,00	0,00	8,58	0,00
Doubtful provisions, write-off & impairment of receivables	0,00	0,00	-0,01	-0,30	0,00	-0,31
Profit/(Loss) before tax and continuing operations	-14,15	1,41	-5,68	0,50	3,07	-14,85
Tax	-0,93	-0,26	-0,23	-0,53	0,00	-1,95
Profit/(Loss) after tax from continuing operations	-15,08	1,15	-5,91	-0,03	3,07	-16,80
Profit/(Loss) after tax from discontinued operations	0,00	0,00	0,00	0,00	0,00	0,00
Profit/(Loss) after tax from total operations	-15,08	1,15	-5,91	-0,03	3,07	-16,80

1/1-31/3/2019 (in million €)	European Union	Other Europe	America	Other Countries	Eliminations	Total
Sales to third parties	114,98	0,00	48,37	29,35	0,00	192,70
Intragroup sales	10,75	0,00	0,10	0,03	-10,88	0,00
Total Sales	125,73	0,00	48,47	29,38	-10,88	192,70
Gross Profit/(loss)	10,99	-0,51	9,53	22,44	-2,67	39,78
(Debit)/Credit interest & similar (expenses)/income	-11,33	0,03	-1,27	1,12	0,42	-11,03
Depreciation/Amortization	-11,44	-0,37	-6,83	-1,42	0,54	-19,52
Profit/(loss) consolidated with equity method	0,00	0,00	0,38	-1,25	0,00	-0,87
Write-off & impairment of assets	0,00	-0,05	-0,52	-1,76	0,00	-2,33
Write-off & impairment of investments	-0,34	0,00	0,00	0,00	0,34	0,00
Doubtful provisions, write-off & impairment of receivables	-0,17	0,00	-0,22	-0,32	0,33	-0,38
Reversal of doubtful provisions & recovery of written off receivables	0,20	0,00	0,00	0,00	-0,20	0,00
Profit/(Loss) before tax and continuing operations	-0,90	-0,81	3,81	12,45	-12,54	2,01
Tax	-1,13	0,01	-1,13	-3,67	0,00	-5,92
Profit/(Loss) after tax from continuing operations	-2,03	-0,80	2,68	8,78	-12,54	-3,91
Profit/(Loss) after tax from discontinued operations	2,32	0,00	0,00	0,00	-1,27	1,05
Profit/(Loss) after tax from total operations	0,29	-0,80	2,68	8,78	-13,81	-2,86

Sales per business activity (continuing operations)			
<i>(in thousand €)</i>	31/3/2020	31/3/2019	change
Licensed operations	41.596	119.116	-65,08%
Management contracts	8.052	23.970	-66,41%
Technology and support services	52.297	49.613	5,41%
Total	101.945	192.699	-47,10%

The sales of the above business activities are coming from all geographical segments.

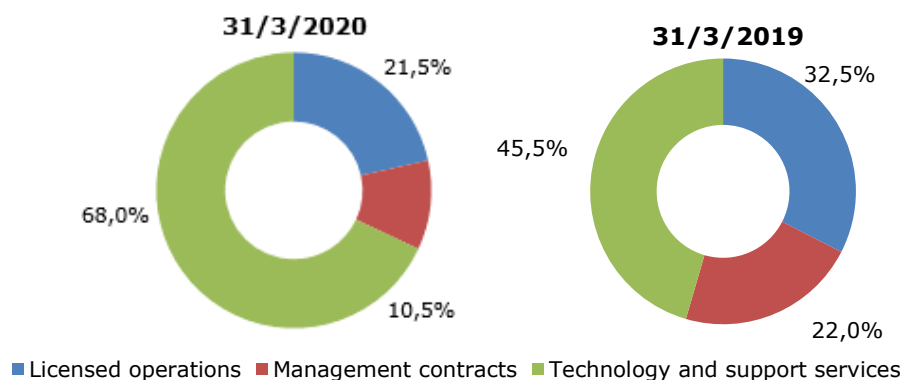
Sales per business activity



Sales per product type (continuing operations)		
	31/3/2020	31/3/2019
Lottery games	65,1%	40,7%
Sports Betting	13,5%	47,6%
IT products & services	13,0%	5,4%
Racing	0,6%	2,2%
Video Lottery Terminals	7,8%	4,1%
Total	100%	100%

Revenue Net of Payout (GGR) per business activity (continuing operations)			
<i>(in thousand €)</i>	31/3/2020	31/3/2019	change
Licensed operations	16.557	35.490	-53,35%
Management contracts	8.052	23.970	-66,41%
Technology and support services	52.298	49.613	5,41%
Total	76.907	109.073	-29,49%

Revenue Net of Payout (GGR) per business activity



2.3 OTHER OPERATING INCOME

(continuing operations)	GROUP		COMPANY	
	31/3/2020	31/3/2019	31/3/2020	31/3/2019
Income from rents from third parties	3.351	3.810	0	0
Income from rents from subsidiaries	0	0	30	16
Income from uncollected winnings	0	118	0	0
Income from reversal of doubtful provisions and proceeds for written off receivables from subsidiaries	0	0	0	204
Other income	321	973	7	41
Total	3.672	4.901	37	261

2.4 INCOME TAX

GROUP (continuing operations)	31/3/2020	31/3/2019
Current income tax	1.694	5.694
Deferred income tax	208	143
Tax audit differences and other taxes non-deductible	52	88
Total income tax expense reported in income statement	1.954	5.925

The income tax expense for the Company and its Greek subsidiaries was calculated to 24% and 29% on the taxable profit of the periods 1/1-31/3/2020 and 1/1-31/3/2019 respectively since the L.4646/2019 voted by the Greek Parliament in 12/12/2019.

The deferred income tax for the Company and its Greek subsidiaries was calculated using the rate 24% for tax years 2020, pursuant to Law 4646/2019.

COMPANY	31/3/2020	31/3/2019
Current income tax	0	0
Deferred income tax	264	204
Tax audit differences and other taxes non-deductible	0	0
Total income tax expense reported in income statement	264	204

2.5 INCOME / (EXPENSES) FROM PARTICIPATIONS AND INVESTMENTS

(continuing operations)	GROUP		COMPANY	
	31/3/2020	31/3/2019	31/3/2020	31/3/2019
Income from dividends	1.050	0	2.090	3.961
Gain from sale of participations and investments	28	23	0	0
Total income from participations and investments	1.078	23	2.090	3.961
Loss from sale of participations and investments	-885	-15	0	0
Loss from impairment / write-offs of participations and investments	0	0	-2.043	-204
Total expenses from participations and investments	-885	-15	-2.043	-204
Net result from participations and investments	193	8	47	3.757

2.6 GAIN / (LOSS) FROM ASSETS DISPOSAL, IMPAIRMENT LOSS & WRITE OFF OF ASSETS

(continuing operations)	GROUP		COMPANY	
	31/3/2020	31/3/2019	31/3/2020	31/3/2019
Gain from disposal of tangible and intangible assets	18	2	0	0
Loss from disposal of tangible and intangible assets	-1	0	0	0

Loss from impairment and write-off of tangible and intangible assets ¹	-2	-2.330	0	0
Gain from write-off of lease liability	734	0	17	0
Loss from write-off of right of use assets	-695	0	-17	0
Net result from tangible and intangible assets	54	-2.328	0	0

¹ The Group on 31/3/2019 includes impairment provision of goodwill in subsidiary Inteltek A.S. (note 2.10) of €1.756 thousand following the award of the competition of Iddaa game, that completed in the first quarter of 2019, to another bidder.

2.7 OTHER OPERATING EXPENSES

(continuing operations)	GROUP		COMPANY	
	31/3/2020	31/3/2019	31/3/2020	31/3/2019
Impairment, write-off and provisions for doubtful debt	308	376	0	158
Provisions for contractual fines-penalties	34	83	0	0
Other expenses	126	115	121	18
Total	468	574	121	176

Analysis of the account "Impairment, write-off and provisions for doubtful debt":

(continuing operations)	GROUP		COMPANY	
	31/3/2020	31/3/2019	31/3/2020	31/3/2019
Provisions for doubtful receivables from subsidiaries	0	0	0	158
Provisions for doubtful receivables from clients	308	376	0	0
Total	308	376	0	158

2.8 INTEREST AND SIMILAR EXPENSES / INTEREST AND SIMILAR INCOME

(continuing operations)	GROUP		COMPANY	
	31/3/2020	31/3/2019	31/3/2020	31/3/2019
Interest Expense ¹	-12.256	-12.686	-4.677	-4.825
Finance costs	-472	-518	-302	-7
Discounting	-1	0	0	0
Total Interest and similar expenses	-12.729	-13.204	-4.979	-4.832
Interest Income	654	2.114	886	986
Discounting	37	57	0	0
Total Interest and similar Income	691	2.171	886	986
Net Interest and similar Income / (Expenses)	-12.038	-11.033	-4.093	-3.846

¹ Including the amortized costs, expenses and fees of banking institutions in connection with the issue of bond and syndicated loans, as well as repurchase of bond loans costs.

2.9 FOREIGN EXCHANGE DIFFERENCES

The Group reported in the Income Statement of the first quarter 2020 losses from «Exchange differences» amount to €460 thousand (first quarter 2019: gain €3.735 thousand) mainly from valuation of commercial and borrowing liabilities (intercompany and non) in EUR that various subsidiaries abroad had, as at 31/3/2020, with a different functional currency than the Group, from valuation of cash balances in foreign currency other than the functional currency of each entity, as well as from valuation of trade receivables (from third parties and associates) mainly in USD that held by the Company on 31/3/2020.

2.10 TANGIBLE AND INTANGIBLE ASSETS

Acquisitions and disposals of tangible and intangible assets:

During the first quarter of 2020, the Group acquired tangible (owner occupied) and intangible assets with acquisition cost €6.115 thousand (discontinued operations €0 thousand), (first quarter 2019: €12.654 thousand – discontinued operations €27 thousand).

Also, during the first quarter of 2020, the Group disposed tangible (owner occupied) and intangible assets with a net book value of €6 thousand (first quarter 2019: €15 thousand – discontinued operations €0 thousand), making a net gain amounting to €17 thousand (first quarter 2019: net gain €2 thousand), which was recorded in the account "Gain/(loss) from assets disposal, impairment loss & write-off of assets".

Write-offs and impairment of tangible and intangible assets:

During the first quarter of 2020, the Group proceeded to writes-offs and impairments of tangible (owner-occupied) and intangible assets with a net book value of €2 thousand (discontinued operations €0 thousand) - (first quarter 2019: €2.336 thousand – discontinued operations €6 thousand), which were recorded in the account "Profit / (loss) from assets disposal, impairment loss & write-off of assets".

Exchange differences on valuation of tangible and intangible assets:

The net book value of tangible (owner-occupied) and intangible assets of the Group decreased in the first quarter 2020 due to foreign exchange valuation differences by €0,7 million.

Restatement of tangible and intangible fixed assets into current measuring units (IAS 29):

The net book value of the Group's tangible (owner-occupied) and intangible assets increased by €279 thousand in the first quarter of 2020 due to a recalculation in current measuring units pursuant to IAS 29 "Financial Reporting in Hyperinflationary Economies".

Change of consolidation method:

The net book value of the Group's tangible (owner-occupied) and intangible assets for the first quarter of 2020 decreased by € 2.303 thousand due to change of the consolidation method of the Group Eurobet Ltd pursuant to IFRS 10 .

Tangible Assets include Right-of-Use-Assets (RoU Assets) through Leases pursuant to IFRS 16:

GROUP	RIGHT OF USE ASSETS			
	LAND & BUILDINGS	TRANSPORT EQUIPMENT	MACHINERY & EQUIPMENT	TOTAL
Balance 1/1/2020	18.217	1.933	4.643	24.793
Additions	42	179		221
Termination/expiry of contracts	-631	-67		-698
Foreign Exchange differences	15	-22	101	94
Effect from IAS 29	3	5	1	9
Change of consolidation method		-34		-34
Depreciation	-1.020	-308	-637	-1.965
Balance 31/3/2020	16.626	1.686	4.108	22.420

Below amounts recognised in Income Statement pursuant to IFRS 16:

GROUP (continuing operations)	1/1-31/3/2020
Depreciation from right of use assets	1.965
Interest expenses from lease liabilities	193
Rental expenses from short term contracts	732
Rental expenses from contracts of low value assets	25
Total amounts recognised in Income Statement	2.915

COMPANY	RIGHT OF USE ASSETS			
	LAND & BUILDINGS	LAND & BUILDINGS	LAND & BUILDINGS	LAND & BUILDINGS
Balance 1/1/2020	7.350	475	0	7.825
Additions/ Adjustments of contracts		109		109
Termination/expiry of contracts		-17		-17
Depreciation	-166	-54		-220
Balance 31/3/2020	7.184	513	0	7.697

Goodwill and Intangible assets with indefinite useful life impairment test

Management tests goodwill for impairment annually (December 31) or more frequently if events occur or changes in conditions indicate that the carrying value may have been reduced in accordance with accounting practice described in note 2.1.6 «Business Combination and Goodwill» of the annual Financial Statements of [December 31, 2019](#).

The Group proceeded with a goodwill impairment test on 31/12/2019 and the basic assumptions used to determine the recoverable amount are described below. The above review on 31/12/2019, as well as the relevant intermediate reviews on 31/3/2019 and on 30/6/2020 for the subsidiary Inteltek Internet A.S., resulted in the recognition of goodwill impairment provisions to the subsidiaries Inteltek Internet A.S. (first quarter 2019 €1.756 thousand and second quarter 2019 €1.281 thousand), Eurobet Ltd (fourth quarter 2019 €18.493 thousand) and Bit8 Ltd (fourth quarter 2019 €1.107 thousand), which were included in the income statement of 2019 .

The recoverable amounts of cash generating units have been determined based on value in use calculations using appropriate estimates regarding future cash flows and discount rates.

Specifically, goodwill arising on consolidation of acquired subsidiaries and intangible assets with indefinite useful life are allocated to the following cash generating units (CGU) by geographical area. Goodwill impairment testing is performed on subsidiary level.

Carrying amount:

CGU	Goodwill		Intangible assets with indefinite useful life	
	31/3/2020 ¹	31/12/2019	31/3/2020	31/12/2019
European Union	0	0	2.300	2.300
America	499	525	29	29
Other countries	5.865	6.323	0	0
Total	6.364	6.848	2.329	2.329

¹ Net decrease in goodwill during the first quarter of 2020 by €484 thousand is caused by the foreign currency translation losses from goodwill valuations related to foreign subsidiaries acquisitions, made by the Group in past periods, with functional currency other than Euro.

Key assumptions:

The recoverable amount of each CGU is determined according to the calculations of value in use. The determination is obtained by the present value of estimated future cash flows expected to be generated

by each CGU (discounted cash flow method - DCF). The cash flows are derived from the most recent approved by the management budgets for the next three years and do not include estimated future cash inflows or outflows expected to arise from future restructurings or from improving or enhancing the asset's performance which is tested for impairment. The expected cash flow projections beyond the period covered by the most recent budgets is estimated by extrapolating the projections based on the budgets, using a steady or declining growth rate for subsequent years, which does not exceed the long-term average growth rate for products, industries, countries in which the Group operates, or for the market in which the asset is used. The Group makes estimates beyond the period of three years where it has signed revenue contracts beyond three years as well as in cases where management believes that based on market data and renewals track record of the Group, the renewal of the relevant contracts beyond the three year period is very possible. Cash flow projections are based on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset, giving greater weight to external evidence. Management assesses the reasonableness of the assumptions underlying the current cash flow projections by examining the causes of differences between past cash flow projections and actual cash flows. Management also ensures that the assumptions on which its current cash flow projections are based are consistent with past actual outcomes, provided that subsequent events or circumstances that did not exist when those actual cash flows were generated make this appropriate.

The value in use for CGUs affected (has sensitivity) of the following key factors (assumptions):

- Sales
- Growth rate in perpetuity (Perpetual Growth Rates), and
- Discount rates

Sales:

Sales projections are derived from estimates of local management of various subsidiaries. These projections are based on careful assessments of various factors, such as past performance, estimates of growth of the local market, competition - if exists, possible changes in the institutional framework governing the gambling market, the economic situation of the gambling industry and the market in general, new opportunities such as lotteries privatizations, etc.

Sales growth rate:

CGU	2019	2018
European Union	n/a	0,0% - 5,2%
Other Europe	n/a	n/a
America	20,0% - 36,8%	0,0% - 22,6%
Other countries	20,2% - 27,8%	0,0% - 44,5%

Growth rate in perpetuity

The factors taken into account for the calculation of the growth rate in perpetuity derive from external sources and include among others, the level of maturity of each market, the existence of barriers to entry for competitors, the economic situation of the market, existing competition and technology trends.

Growth rate in perpetuity:

CGU	2019	2018
European Union	n/a	0,0% - 2,0%
Other Europe	n/a	n/a
America	10,0%	4,0%
Other countries	11,0%	0,0% - 10,0%

Discount rates:

The discount rates represent the current market assessments of the risks personalized for each CGU, having made the necessary adjustments for the time value of money and possible risks specific to any assets that have not been included in the cash flow projections. The calculation of discount rates based on specific conditions under which the Group and its operating segments operate and calculated through the weighted average cost of capital method (WACC). The WACC takes into account both debt and equity. The cost of equity derives from the expected return that Group investors have for their investment. The Cost of debt is based on the interest rate of the loans that the Group must facilitate. The specific risk of each country is incorporated by implementing individualized sensitivity factors «beta» (beta factors). The sensitivity factors «beta» are evaluated annually based on published market data.

Discount rates:

CGU	2019	2018
European Union	n/a	7,5% - 8,9%
Other Europe	n/a	n/a
America	41,8%	24,8% - 24,8%
Other countries	19,3%	0,0% - 22,5%

Recoverable amount sensitivity analysis:

On 31/12/2019, the Group analyzed the sensitivity of the recoverable amounts in a reasonable and possible change of some of the basic assumptions (such as the change of a (1,0) of a percentage point to the growth rate in perpetuity and the change of the discount rates of a (1,0) percentage point). This analysis does not show a situation in which the carrying amount of the Group's significant CGUs exceeds their recoverable amount.

2.11 INVESTMENT IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

GROUP INVESTMENT IN ASSOCIATES AND JOINT VENTURES	% Participation	Country	31/3/2020	31/12/2019
Lotrich Information Co LTD	40%	Taiwan	7.535	7.379
Goreward LTD Group	38,84%	China	5.461	5.864
Intralot de Peru SAC	20%	Peru	16.769	16.366
Karenia Enterprises Co Ltd	50%	Cyprus	6.729	6.731
Eurofootball Ltd	49%	Bulgaria	0	965
Other			3	2
Total			36.497	37.307

GROUP INVESTMENT IN ASSOCIATES AND JOINT VENTURES	31/3/2020	31/12/2019
Opening Balance	37.307	133.198
Participation in net profit / (loss) of associates and joint ventures	-154	-13.223
Exchange differences	170	961
Impairment /Reverse of impairment	0	-1.967
Dividends	-965	-6.484
Sales of companies	0	-78.328
Change of consolidation method	0	3.011
Other	139	139
Closing Balance	36.497	37.307

COMPANY INVESTMENT IN ASSOCIATES AND JOINT VENTURES	% Participation	Country	31/3/2020	31/12/2019
Lotrich Information Co LTD	40%	Taiwan	5.131	5.131
Intralot De Peru SAC	20%	Peru	5.528	5.528
Total			10.659	10.659

COMPANY INVESTMENT IN SUBSIDIARIES	% Participation	Country	31/3/2020	31/12/2019
Intralot Holdings International LTD	100%	Cyprus	8.464	8.464
Betting Company S.A.	95%	Greece	139	139
Inteltek Internet AS	20%	Turkey	266	2.309
Bilyoner Interaktif Hizmetler AS	50,01%	Turkey	10.751	10.751
Intralot Global Securities BV	100,00%	Nederland	50.961	55.636
Intralot Global Holdings BV	0,002%	Nederland	54.772	60.068
Intralot Iberia Holdings SA	100%	Spain	5.638	5.638
Other			437	437
Total			131.428	143.442
Grand Total			142.087	154.101

COMPANY INVESTMENT IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES	31/3/2020	31/12/2019
Opening Balance	154.101	135.908
Provisions/ reversals of provisions for impairment of subsidiaries	-2.043	-4.927
Capitalization of receivables from subsidiaries	0	204
Contribution of a subsidiary to another subsidiary	0	22.787
Acquisition of additional percentage in an existing subsidiary	0	129
Return of subsidiary capital	-9.971	0
Closing Balance	142.087	154.101

2.12 OTHER FINANCIAL ASSETS

The other financial assets that have been classified by the Group as "equity instruments at fair value through other comprehensive income" and as "debt instruments at amortized cost" are analyzed below:

	GROUP		COMPANY	
	31/3/2020	31/12/2019	31/3/2020	31/12/2019
Opening Balance	432	16.679	39	1.213
Purchases	0	90	0	0
Return of capital	0	-2.328	0	-2.328
Sales	0	-15.415	0	-168
Receipts	-11	0	0	0
Fair value revaluation	-141	1.436	-20	1.322
Foreign exchange differences	-5	-30	0	0
Closing balance	275	432	19	39
Quoted securities	275	432	19	39
Unquoted securities	0	0	0	0
Total	275	432	19	39
Long-term Financial Assets	256	414	19	39
Short-term Financial Assets	19	18	0	0
Total	275	432	19	39

During the first quarter of 2020, the Group losses arising from the valuation at fair value of the above financial assets amount to €141 thousand (first quarter 2019: gain €80 thousand) are analyzed in losses amount to €149 thousand (first quarter 2019: gain €57 thousand) reported in particular equity reserves (revaluation reserve) and in gain amount to €8 thousand (first quarter 2019: gain €23 thousand) reported

in the income statement. Respectively for the Company, losses amount to €20 thousand (first quarter 2019: gain €14 thousand) are analyzed in losses amount to €20 thousand (first quarter 2019: gain €14 thousand) that were reported in particular equity reserves (revaluation reserve).

For investments that are actively traded in organized financial markets, the fair value is determined by reference to the closing price at the reporting date. For investments where there is no corresponding market price, fair value is determined by reference to the current market value of another instrument that is substantially the same or estimated based on expected cash flows of the net assets underlying the investment or acquisition value.

2.13 INVENTORIES

	GROUP		COMPANY	
	31/3/2020	31/12/2019	31/3/2020	31/12/2019
Merchandise – Equipment	32.691	33.519	8.600	10.733
Other	3.363	3.588	0	0
Total	36.054	37.107	8.600	10.733
Provisions for impairment	-1.485	-1.500	0	0
Total	34.569	35.607	8.600	10.733

The burden for the first quarter of 2020, from disposals/usage and provision of inventories for the Group amounts to €3.418 thousand (first quarter of 2019: €1.020 thousand) while for the Company amounts to €2.685 thousand (first quarter of 2019: €113 thousand) and is included in “Cost of Sales”.

Reconciliation of changes in inventories provision for impairment	GROUP		COMPANY	
	31/3/2020	31/12/2019	31/3/2020	31/12/2019
Opening balance for the period	-1.500	-1.536	0	0
Foreign exchange differences	15	36	0	0
Closing balance for the period	-1.485	-1.500	0	0

There are no liens on inventories.

2.14 CASH AND CASH EQUIVALENTS

Bank current accounts are either non-interest bearing or interest bearing and yield income at the daily bank interest rates. The short term deposits are made for periods from one day to three months depending on the Group’s cash requirements and yield income at the applicable prevailing interest rates. For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of:

	GROUP		COMPANY	
	31/3/2020	31/12/2019	31/3/2020	31/12/2019
Cash and bank current accounts	140.689	170.499	19.298	16.172
Short term time deposits / investments (cash equivalents)	1.342	615	0	0
Total	142.031	171.114	19.298	16.172

2.15 SHARE CAPITAL, TREASURY SHARES AND RESERVES

Share Capital

Total number of authorized shares	31/3/2020	31/12/2019
Ordinary shares of nominal value €0,30 each	156.961.721	156.961.721
Issued and fully paid shares	Ordinary Shares	€'000
Balance March 31, 2020	156.961.721	47.089

Treasury Shares

Share buyback program 11.6.2014 - 11.6.2018:

The Company, according to article 16, C.L. 2190/1920, article 4.1.4.2 of the regulation of ATHEX and based on the resolution of the Shareholder's Annual General Meeting on 11.6.2014, as amended by the resolution of the Shareholder's Annual General Meeting of 19.5.2015 and 18.5.2017, has approved a treasury shares buy-back program from the Company, of up to 10% of the paid share capital, for the time period of 24 months with effect from 11.06.2014 and until 11.06.2018, with a minimum price of €1,00 and maximum price of €12,00. It has also been approved that the treasury shares which will eventually be acquired may be held for future acquisition of shares of another company or be distributed to the Company's employees or the staff of a company related with it. The above programme was cancelled with a relevant decision of the Shareholder's Annual General Meeting on 16.5.2018.

Share buyback program 16.5.2018 - 16.5.2020:

The Company, according to article 16, C.L. 2190/1920, article 4.1.4.2 of the regulation of ATHEX and based on the resolution of the Shareholder's Annual General Meeting on 16.5.2018, has approved a treasury shares buy-back program from the Company, of up to 10% of the paid share capital, including treasury shares which might have been acquired and held by the Company (on 16/5/2018 amounted 748.661 treasury shares that is 0,48% of the share capital following the cancelation of 2.000.000 treasury shares and a relevant decrease in the share capital of the Company as approved by the Shareholder's Annual General Meeting for a period of 24 months with effect from 16.5.2018 and until 16.5.2020, with a minimum price of €0,30 and maximum price of €12,00 cancelling the previous programme that was about to end on 11.6.2018. It has also been approved that the treasury shares which will eventually be acquired may be held for future acquisition of shares of another company or be distributed to the Company's employees or the staff of a company related with it.

During 2018, the Company purchased 9.218.779 treasury shares (5,87% of the Company's share capital) at an average price of €0,93 per share, totalling €8.589 thousand. Until 31/3/2020 the Company had 9.200.033 treasury shares (5,86% of the company's share capital) with average price €0,93 per share, with total price of €8.528 thousand subtracting 2.000.000 treasury shares (1,27% of the share capital of the Company) at an average purchase price of €1,10, that were cancelled from the Shareholder's Annual General Meeting of 16.05.2018.

Share buyback program 29.05.2020 - 29.05.2022:

According to article 49, Law 4548/2018, article 4.1.4.2 of the regulation of ATHEX and based on the resolution of the Shareholder's Ordinary General Meeting which took place on the 29.05.2020, that a treasury shares buy – back program by the Company of up to 10% of its paid share capital, taking into account the shares which had been acquired and held by the Company (in the amount of 9.200.033 treasury shares as of 29.05.2020, that is 5,861% of its share capital), for a period of 24 months with effect from 29.05.2020 and until 29.05.2022, with a minimum price of €0,30 and maximum price of €12, is approved. It was approved also that the treasury shares which will eventually be acquired may be distributed to its personnel and/or to the personnel of Company's affiliates and/or to be kept for future acquisition of shares in another company.

	GROUP		COMPANY	
	Number of ordinary shares	€ '000	Number of ordinary shares	€ '000
Balance March 31, 2020	9.200.033	8.528	9.200.033	8.528

Reserves

Foreign exchange differences reserve

This reserve is used to report the exchange differences arising from the translation of foreign subsidiaries' financial statements. The balance of this reserve in the Group on 31/03/2020 was €-89,0 million (31/12/2019: €-87,9 million). The Group had a total net loss which was reported in the statement of comprehensive income from the change in the fair value reserve during 2020 amounting to €1,8 million, out of which loss of €1,0 million is attributable to the owners of the parent and a loss of €0,8 million to non-controlling interest. The above total net loss for 2020 comes mainly from the positive fluctuation of the USD and the negative fluctuation of TRY, ARS, AUD, CLP and CNY against the EUR.

The main exchange rates of abroad subsidiaries financial statements conversion were:

- **Statement of Financial Position:**

	31/3/2020	31/12/2019	Change
EUR / USD	1,10	1,12	-1,79%
EUR / AUD	1,80	1,60	12,50%
EUR / TRY	7,21	6,68	7,93%
EUR / PEN	3,78	3,72	1,61%
EUR / ARS	70,87	67,23	5,41%
EUR / BRL	5,70	4,52	26,11%

- **Income Statement:**

	AVG 1/1-31/3/2020	AVG 1/1-31/3/2019	Change
EUR / USD	1,10	1,14	-3,51%
EUR / AUD	1,68	1,59	5,66%
EUR / TRY	6,74	6,11	10,31%
EUR / PEN	3,75	3,78	-0,79%
EUR / ARS ¹	70,87	48,61	45,79%
EUR / BRL	4,92	4,28	14,95%

¹ The Income Statement of the first quarter of 2020 of the Group's subsidiaries operating in Argentina was converted at the closing rate of 31/3/2020 instead of the Avg. 1/1-31/3/2020 pursuant to IAS 21, paragraph 42a, for hyperinflationary economies.

Other Reserves

	GROUP		COMPANY	
	31/3/2020	31/12/2019	31/3/2020	31/12/2019
Statutory reserve	22.994	25.040	15.896	15.896
Extraordinary reserves	1.740	1.740	1.456	1.456
Tax free and specially taxed reserves	40.658	40.658	38.091	38.091
Treasury shares reserve	5	5	5	5
Actuarial differences reserve	-56	-56	-6	-6
Revaluation reserve	-244	-95	-179	-159
Total	65.097	67.292	55.263	55.283

Analysis of changes in other comprehensive income by category of reserves

GROUP 1/1-31/3/2020	Revaluation reserve	Foreign exchange differences reserve	Retained earnings	Total	Non- controlling interest	Grand total
Defined benefit plans revaluation of subsidiaries and parent company			-17	-17	-3	-20
Valuation of assets at fair value through other comprehensive income, of subsidiaries and parent company	-149			-149		-149
Foreign exchange differences on consolidation of subsidiaries		-1.237		-1.237	-778	-2.015
Share of foreign exchange differences on consolidation of associates and joint ventures		170		170		170
Other comprehensive income / (expenses) after tax	-149	-1.067	-17	-1.233	-781	-2.014

GROUP 1/1-31/3/2019	Revaluation reserve	Foreign exchange differences reserve	Retained Earnings	Total	Non- controlling interest	Grand total
Defined benefit plans revaluation of subsidiaries and parent company			13	13	13	26
Defined benefit plans revaluation of associates and joint ventures			15	15		15
Valuation of assets measured at fair value through other comprehensive income, of subsidiaries and parent company	58			58	-1	57
Foreign exchange differences on consolidation of subsidiaries		796		796	-1.883	-1.087
Share of foreign exchange differences on consolidation of associates and joint ventures		785		785		785
Other comprehensive income / (expenses) after tax	58	1.581	28	1.667	-1.871	-204

Analysis of changes in other comprehensive income by category of reserves

COMPANY 1/1-31/3/2020		Revaluation reserve	Total
Valuation of assets measured at fair value through other comprehensive income of the parent company		-20	-20
Other comprehensive income / (expenses) after tax		-20	-20

COMPANY 1/1-31/3/2019		Revaluation reserve	Total
Valuation of assets measured at fair value through other comprehensive income of the parent company		14	14
Other comprehensive income / (expenses) after tax		14	14

2.16 DIVIDENDS

Declared dividends of ordinary shares:	GROUP		COMPANY	
	31/3/2020	31/12/2019	31/3/2020	31/12/2019
Final dividend of 2012	509	0	0	0
Final dividend of 2017	0	957	0	0
Final dividend of 2018	0	27.566	0	0
First dividend of 2019	0	11.562	0	0
Final dividend of 2019	6.825	0	0	0
Dividend per statement of changes in equity	7.334	40.085	0	0

Paid Dividends on ordinary shares:

During the nine months of 2020 dividends paid on ordinary shares, aggregated €7.853 thousand (2019: €9.170 thousand).

2.17 DEBT

Long term loans and lease liabilities:

	Currency	Interest rate	GROUP		COMPANY	
			31/3/2020	31/12/2019	31/3/2020	31/12/2019
Facility A (€250,0 million)	EUR	6,75%	247.554	251.235	0	0
Facility B (€500,0 million)	EUR	5,25%	489.572	495.534	0	0
Intercompany Loans			0	0	283.554	278.908
Other			26.900	27.714	0	0
Total Loans (long term and short term) before repurchasing			764.026	774.483	283.554	278.908
Less: Payable during the next year			-21.539	-31.851	0	0
Repurchase of Facility B			-25.647	-25.958	0	0
Long term loans after repurchasing			716.840	716.674	283.554	278.908
Long term lease liabilities ¹			9.340	10.681	1.541	1.580
Total long term debt (loans and lease liabilities)			726.180	727.355	285.095	280.488

¹ In the Group and the Company on 31/3/2020 included Long term lease liabilities from other related parties amount to €1.659 thousand and €1.182 thousand respectively (note [2.20.E](#)).

Short term loans and lease liabilities:

	GROUP		COMPANY	
	31/3/2020	31/12/2019	31/3/2020	31/12/2019
Facility A (€250,0 million)	432	4.606	0	0
Facility B (€500,0 million)	405	6.974	0	0
Intercompany loans	0	0	0	0
Other	21.046	20.927	0	0
Short term loans before repurchasing	21.883	32.507	0	0

Repurchasing Facility B	-343	-656	0	0
Short term loans after repurchasing	21.540	31.851	0	0
Short term lease liabilities ¹	5.375	6.019	847	785
Total short term debt (loans and lease liabilities)	26.915	37.870	847	785

¹ In the Group and the Company as at 31/3/2020 included Short term lease liabilities from other related parties amount to €688 thousand and €613 thousand respectively (note [2.20.E](#)).

	GROUP		COMPANY	
	31/3/2020	31/12/2019	31/3/2020	31/12/2019
Total debt (loans and lease liabilities)	753.095	765.225	285.942	281.273

- Facility A: In September 2016, Intralot Capital Luxembourg, issued Senior Notes with a nominal value of €250 million, guaranteed by the parent company and subsidiaries of the Group, due 15 September 2021. The Notes were offered at an issue price of 100,000%. Interest is payable semi-annually at an annual fixed nominal coupon of 6,75%. The Notes are trading on the Luxembourg Stock Exchanges Euro MTF Market. The Notes bear the Group financial covenants for incurring additional debt with respect to total Net Debt (senior) to EBITDA (EBITDA/ "Consolidated Cash Flow") (Senior Leverage ratio <3,75), and financial expenses coverage ratio (Fixed Charge Coverage ratio >2,00).
- Facility B: In September 2017, Intralot Capital Luxembourg issued Senior Notes with a nominal value of €500,0 million, guaranteed by the parent company and subsidiaries of the Group, due 15 September 2024. The Notes were offered at an issue price of 100,000%. Interest is payable semi-annually at an annual fixed nominal coupon of 5,25%. The Notes are trading on the Luxembourg Stock Exchanges Euro MTF Market. The Notes bear the Group financial covenants for incurring additional debt with respect to total Net Debt (senior) to EBITDA (EBITDA/ "Consolidated Cash Flow") (Senior Leverage ratio <3,75), and financial expenses coverage ratio (Fixed Charge Coverage ratio >2,00). The Group proceeded to the repurchase of bonds from the open market with nominal value of €5,0 million during 2018, as well as €21,2 million during the second quarter of 2019, forming the total outstanding nominal amount at €473,8 million.

The Group under the Senior Notes (Facility A & B) terms will be able to incur additional debt so long as on a pro forma basis its consolidated fixed charge coverage ratio is at least 2,00 (31/3/2020: approx. 1,97), and will be able to incur additional senior debt as long as on a pro forma basis its total Net Debt (senior) to EBITDA consolidated (Senior leverage ratio) is not more than 3,75 (31/3/2020: approx. 7,10). Furthermore to the above, the Group can incur additional debt from specific baskets.

The Company, the subsidiaries of the Group or other related parties, or agents on its or their behalf, may from time to time purchase and/or re-sell bonds of the Group (Facility A & B) in one or more series of open-market transactions from time to time. The Group does not intend to disclose the extent of any such purchase or re-sale otherwise than in accordance with any legal or regulatory obligation the Group may have to do so.

Other facilities:

- Facility C: Intralot Inc., a US subsidiary of the Group, has a credit line with Bank of America of up to \$ 40 million. The outstanding balance as at 31/3/2020 amounted to \$10,6 million. The credit line bears a floating rate that as of 31/3/2020 was 3,74%. The credit line bears the above subsidiary financial covenants with respect to total debt (senior) to EBITDA (Senior Leverage ratio), to Fixed Charge Coverage ratio and to Asset coverage ratio. The above financial covenants were in compliance as of 31/3/2020. The credit line may be used as additional liquidity support to take advantage of new lotteries and sports betting opportunities in the US.
- Facility D: In February and March 2020 Intralot Global Holdings BV signed a loan agreement, with relevant securities on financial assets, amounting up to €18 million as a revolving facility. Loan agreement bears a floating reference rate (relevant bank's cost of funding cost) plus a 1,65% margin. The above facility does not include financial covenants and the nominal outstanding balance on 31/3/2020 was €8 million.

Maturity analysis of lease liabilities

GROUP	Minimum of the lease payments	Present value of the minimum lease payments	Minimum of the lease payments	Present value of the minimum lease payments
	31/3/2020	31/3/2020	31/12/2019	31/12/2019
Within 1 year	6.967	5.375	6.656	6.019
Between 2 and 5 years	7.517	6.679	8.807	7.872
Over 5 years	3.035	2.661	3.222	2.809
Minus: Interest	-2.804	0	-1.985	0
Total	14.715	14.715	16.700	16.700

COMPANY	Minimum of the lease payments	Present value of the minimum lease payments	Minimum of the lease payments	Present value of the minimum lease payments
	31/3/2020	31/3/2020	31/12/2019	31/12/2019
Within 1 year	954	847	895	785
Between 2 and 5 years	1.534	1.363	1.543	1.365
Over 5 years	200	178	243	215
Minus: Interest	-300	0	-316	0
Total	2.388	2.388	2.365	2.365

CAPITAL MANAGEMENT

The Group aims through the management of capital to ensure that the Group can operate smoothly in the future, maximize the value of its shareholders and maintain the appropriate capital structure in terms of costs of capital.

The Group monitors its capital adequacy on a Net Debt to EBITDA ratio basis. Net borrowings include borrowing and lease liabilities minus cash and cash equivalents.

	GROUP	
	31/3/2020 ¹	31/12/2019
Long term loans	716.840	716.674
Long term lease liabilities	9.340	10.681
Short term loans	21.540	31.851
Short term lease liabilities	5.375	6.019
Total Debt	753.095	765.225
Cash and cash equivalents	-142.031	-171.114
Net Debt	611.064	594.111
EBITDA from continuing operations	71.763	87.784
Leverage	8,52	6,77

¹ EBITDA refers to the period of the last twelve months completed on 31/3/2020.

Regarding capital structure, INTRALOT has 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.

Reconciliation of liabilities arising from financing activities:

GROUP	Balance 31/12/2019	Cash flows	Non cash adjustments					Balance 31/3/2020
			Accrued interest	Foreign exchange differences & IAS 29 effect	Transfers	Purchases of fixed assets under leases/contract cancellation	Change of consolidation method	
Long term loans	716.674	-740	247	153	1.048	0	-542	716.840
Short term loans	31.851	-20.630	11.803	342	-1.048	0	-778	21.540
Long term lease liabilities	10.681	-1.571	193	36	377	-376	0	9.340
Short term lease liabilities	6.019	-65	0	-31	-377	-171	0	5.375
Total liabilities from financing activities	765.225	-23.006	12.243	500	0	-547	-1.320	753.095

GROUP	Balance 31/12/2018	Cash flows	Non cash adjustments							Balance 31/12/2019
			Effect from IFRS 16 application 1/1/2019	Accrued interest	Foreign exchange differences & IAS 29 effect	Transfers	Purchases of fixed assets under leases/contract cancellation	Discontinued operations/ change of consolidation method & other transfers	Repurchase results	
Long term loans	735.297	-13.351	0	815	100	4.446	0	-500	-10.133	716.674
Short term loans	38.929	-48.027	0	47.745	149	-4.446	0	-2.499	0	31.851
Long term lease liabilities	1.797	-6.681	14.768	886	56	-4.720	5.980	-1.405	0	10.681
Short term lease liabilities	1.726	-244	264	2	139	4.720	2	-590	0	6.019
Total liabilities from financing activities	777.749	-68.303	15.032	49.448	444	0	5.982	-4.994	-10.133	765.225

2.18 SHARED BASED BENEFITS

The Group had no active option plan during the first quarter of 2020.

2.19 FINANCIAL ASSETS AND LIABILITIES

The financial assets and liabilities of the Group, excluding cash and cash equivalents are analyzed as follows:

31/3/2020		GROUP		
Financial assets:	Debt instruments at amortized cost	Equity instruments at fair value through other comprehensive income	Derivative financial assets at fair value through other comprehensive income	Total
Trade receivables	85.496	0	0	85.496
Provisions for doubtful receivables	-12.888	0	0	-12.888
Receivables from related parties	11.051	0	0	11.051
Provisions for doubtful receivables	-6.595	0	0	-6.595
Pledged bank deposits	4.179	0	0	4.179
Tax receivables	34.917	0	0	34.917
Prepaid expenses and other receivable	28.623	0	0	28.623
Provisions for doubtful receivables	-3.823	0	0	-3.823
Other quoted financial assets	83	192	0	275
Other unquoted financial assets	0	0	0	0
Total	141.043	192	0	141.235
Long term	5.397	192	0	5.589
Short term	135.646	0	0	135.646
Total	141.043	192	0	141.235

31/12/2019		GROUP		
Financial assets:	Debt instruments at amortized cost	Equity instruments at fair value through other comprehensive income	Derivative financial assets at fair value through other comprehensive income	Total
Trade receivables	87.109	0	0	87.109
Provisions for doubtful receivables	-12.843	0	0	-12.843
Receivables from related parties	11.147	0	0	11.147
Provisions for doubtful receivables	-6.726	0	0	-6.726
Pledged bank deposits	3.948	0	0	3.948
Tax receivables	26.248	0	0	26.248
Prepaid expenses and other receivable	30.760	0	0	30.760
Provisions for doubtful receivables	-3.835	0	0	-3.835
Other quoted financial assets	90	342	0	432
Other unquoted financial assets	0	0	0	0
Total	135.898	342	0	136.240
Long term	4.145	342	0	4.487
Short term	131.753	0	0	131.753
Total	135.898	342	0	136.240

<u>31/3/2020</u>		<u>GROUP</u>		
Financial liabilities	Financial liabilities measured at amortized cost	Financial liabilities at fair value through profit and loss	Financial liabilities at fair value through other comprehensive income	Total
Creditors	40.456	0	0	40.456
Payables to related parties	6.577	0	0	6.577
Other liabilities	44.342	0	0	44.342
Borrowing and lease liabilities	753.095	0	0	753.095
Total	844.470	0	0	844.470
Long term	727.956	0	0	727.956
Short term	116.514	0	0	116.514
Total	844.470	0	0	844.470

<u>31/12/2019</u>		<u>GROUP</u>		
Financial liabilities	Financial liabilities measured at amortized cost	Financial liabilities at fair value through profit and loss	Financial liabilities at fair value through other comprehensive income	Total
Creditors	41.815	0	0	41.815
Payables to related parties	7.737	0	0	7.737
Other liabilities	44.247	0	0	44.247
Borrowing and lease liabilities	765.225	0	0	765.225
Total	859.024	0	0	859.024
Long term	729.357	0	0	729.357
Short term	129.667	0	0	129.667
Total	859.024	0	0	859.024

Below is the analysis of the financial assets and liabilities of the Company excluding cash and cash equivalents:

<u>31/3/2020</u>	<u>COMPANY</u>			Total
	Debt instruments at amortized cost	Equity instruments at fair value through other comprehensive income	Derivative financial assets at fair value through other comprehensive income	
Financial assets:				
Trade receivables	42.198	0	0	42.198
Provisions for doubtful receivables	-6.734	0	0	-6.734
Receivables from related parties	80.030	0	0	80.030
Provisions for doubtful receivables	-34.102	0	0	-34.102
Pledged bank deposits	155	0	0	155
Tax receivables	16.791	0	0	16.791
Prepaid expenses and other receivable	7.623	0	0	7.623
Provisions for doubtful receivables	-778	0	0	-778
Other quoted financial assets	0	19	0	19
Other unquoted financial assets	0	0	0	0
Total	105.183	19	0	105.202
Long term	517	19	0	536
Short term	104.666	0	0	104.666
Total	105.183	19	0	105.202

<u>31/12/2019</u>	<u>COMPANY</u>			Total
	Debt instruments at amortized cost	Equity instruments at fair value through other comprehensive income	Derivative financial assets at fair value through other comprehensive income	
Financial assets:				
Trade receivables	41.360	0	0	41.360
Provisions for doubtful receivables	-6.734	0	0	-6.734
Receivables from related parties	82.826	0	0	82.826
Provisions for doubtful receivables	-34.102	0	0	-34.102
Pledged bank deposits	156	0	0	156
Tax receivables	10.390	0	0	10.390
Prepaid expenses and other receivable	8.014	0	0	8.014
Provisions for doubtful receivables	-778	0	0	-778
Other quoted financial assets	0	39	0	39
Other unquoted financial assets	0	0	0	0
Total	101.132	39	0	101.171
Long term	133	39	0	172
Short term	100.999	0	0	100.999
Total	101.132	39	0	101.171

<u>30/3/2020</u>		<u>COMPANY</u>			
Financial liabilities	Financial liabilities measured at amortized cost	Financial liabilities at fair value through profit and loss	Financial liabilities at fair value through other comprehensive income	Total	
Creditors	8.408	0	0	8.408	
Payables to related parties	25.250	0	0	25.250	
Other liabilities	6.158	0	0	6.158	
Borrowing and lease liabilities	285.942	0	0	285.942	
Total	325.758	0	0	325.758	
Long term	285.238	0	0	285.238	
Short term	40.520	0	0	40.520	
Total	325.758	0	0	325.758	

<u>31/12/2019</u>		<u>COMPANY</u>			
Financial liabilities	Financial liabilities measured at amortized cost	Financial liabilities at fair value through profit and loss	Financial liabilities at fair value through other comprehensive income	Total	
Creditors	9.818	0	0	9.818	
Payables to related parties	27.580	0	0	27.580	
Other liabilities	5.581	0	0	5.581	
Borrowing and lease liabilities	281.273	0	0	281.273	
Total	324.252	0	0	324.252	
Long term	280.655	0	0	280.655	
Short term	43.597	0	0	43.597	
Total	324.252	0	0	324.252	

Estimated fair value

Below is a comparison by category of carrying amounts and fair values of financial assets and liabilities of the Group and the Company as at 31 March 2020 and 31 December 2019:

GROUP Financial Assets	Carrying Amount		Fair Value	
	31/3/2020	31/12/2019	31/3/2020	31/12/2019
Other long-term financial assets - classified as "equity instruments at fair value through other comprehensive income "	192	342	192	342
Other long-term financial assets - classified as "debt instruments at fair value at amortized cost"	64	72	64	72
Other long-term receivables	5.333	4.073	5.333	4.073
Trade and other short-term receivables	135.627	131.735	135.627	131.735
Other short-term financial assets classified as "debt instruments at amortized cost"	19	18	19	18
Cash and cash equivalents	142.031	171.114	142.031	171.114
Total	283.266	307.354	283.266	307.354

Financial Liabilities				
Long-term loans	716.840	716.674	212.568	364.670
Other long-term liabilities	1.776	2.002	1.776	2.002
Long term lease liabilities	9.340	10.681	9.340	10.681
Trade and other short term payables	89.599	91.797	89.599	91.797
Short-term loans and lease liabilities	26.915	37.870	26.602	32.599
Total	844.470	859.024	339.885	501.749

COMPANY Financial Assets	Carrying Amount		Fair Value	
	31/3/2020	31/12/2019	31/3/2020	31/12/2019
Other long-term financial assets - classified as "equity instruments at fair value through other comprehensive income "	19	39	19	39
Other long-term receivables	517	133	517	133
Trade and other short-term receivables	104.666	100.999	104.666	100.999
Cash and cash equivalents	19.298	16.172	19.298	16.172
Total	124.500	117.343	124.500	117.343

Financial Liabilities				
Long-term loans	283.554	278.908	283.554	278.908
Other long-term liabilities	143	167	143	167
Long term lease liabilities	1.541	1.580	1.541	1.580
Trade and other short term payables	39.673	42.812	39.673	42.812
Short term loans and lease liabilities	847	785	847	785
Total	325.758	324.252	325.758	324.252

The management estimated that the carrying value of cash and cash equivalents, trade and other receivables, trade and other payables approximates their fair value, primarily because of their short term maturities.

Fair value hierarchy

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making these measurements. The levels of the fair value hierarchy are as follows:

Level 1: official quoted prices (unadjusted) in markets with significant volume of transactions for similar assets or liabilities

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group and the Company held on 31/3/2020 the following assets and liabilities measured at fair value:

GROUP	Fair Value 31/3/2020	Fair value hierarchy		
		Level 1	Level 2	Level 3
Financial assets measured at fair value				
Other financial assets classified as "equity instruments at fair value through other comprehensive income"	192	192	0	0
- Quoted securities	192	192	0	0
- Unquoted securities	0	0	0	0
Other financial assets classified as "debt instruments at amortized cost"	83	0	0	83
- Quoted securities	83	0	0	83
- Unquoted securities	0	0	0	0
Derivative financial instruments	0	0	0	0
Financial liabilities measured at fair value				
Derivative financial instruments	0	0	0	0
COMPANY				
	Fair Value 31/3/2020	Fair value hierarchy		
		Level 1	Level 2	Level 3
Financial assets measured at fair value				
Other financial assets classified as "equity instruments at fair value through other comprehensive income"	19	19	0	0
- Quoted securities	19	19	0	0
- Unquoted securities	0	0	0	0
Derivative financial instruments	0	0	0	0
Financial liabilities measured at fair value				
Derivative financial instruments	0	0	0	0

During 2020 there were no transfers between Level 1 and Level 2 of the fair value hierarchy, no transfers to and from Level 3.

The Group and the Company held on 31/12/2019 the following assets and liabilities measured at fair value:

GROUP	Fair Value 31/12/2019	Fair value hierarchy		
		Level 1	Level 2	Level 3
Financial assets measured at fair value				
Other financial assets classified as "equity instruments at fair value through other comprehensive income"	342	342	0	0
- Quoted securities	342	342	0	0
- Unquoted securities	0	0	0	0
Other financial assets classified as "debt instruments at amortized cost"	90	0	0	90
- Quoted securities	90	0	0	90
- Unquoted securities	0	0	0	0
Derivative financial instruments	0	0	0	0
Financial liabilities measured at fair value				
Derivative financial instruments	0	0	0	0

COMPANY	Fair Value 31/12/2019	Fair value hierarchy		
		Level 1	Level 2	Level 3
Financial assets measured at fair value				
Other financial assets classified as "equity instruments at fair value through other comprehensive income"	39	39	0	0
- Quoted securities	39	39	0	0
- Unquoted securities	0	0	0	0
Derivative financial instruments	0	0	0	0
Financial liabilities measured at fair value				
Derivative financial instruments	0	0	0	0

During 2019 there were no transfers between Level 1 and Level 2 of the fair value hierarchy, no transfers to and from Level 3.

Reconciliation for recurring fair value measurements classified in the 3rd level of the fair value hierarchy:

Unquoted shares	GROUP	COMPANY
Balance 1/1/2019	15.909	1.183
Sales	-14.887	-168
Fair value adjustment	1.313	1.313
Return of capital	-2.328	-2.328
Exchange differences	-7	0
Balance 31/12/2019	0	0
Fair value adjustment	0	0
Balance 31/3/2020	0	0

Quoted securities	GROUP	COMPANY
Balance 1/1/2019	472	0
Fair value adjustment	22	0
Sales	-472	0
Purchases	90	0
Foreign exchange differences	-22	0
Balance 31/12/2019	90	0
Fair value adjustment	8	0
Receipts	-11	0
Exchange differences	-4	0
Balance 31/3/2020	83	0

Valuation methods and assumptions

The fair value of the financial assets and liabilities is the amount at which the asset could be sold or the liability transferred in a current transaction between market participants, other than in a forced or liquidation sale.

The following methods and assumptions are used to estimate the fair values:

- Fair value of the quoted shares (classified as "equity instruments at fair value through other comprehensive income") derives from quoted market closing prices in active markets at the reporting date.
- Fair value of the unquoted shares (classified as "equity instruments at fair value through other comprehensive income") is estimated by reference to the current market value of another item substantially similar or using a DCF model. The valuation through the DCF model requires management to make certain assumptions about the model inputs, including forecast cash flows, the discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.
- Fair value of the quoted bonds is based on price quotations at the reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under leases, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.
- The Group uses derivative financial instruments such as forward currency contracts, interest rate swaps, currency swaps and other derivatives in order to hedge risks related to interest rates and foreign currency fluctuations. Such derivative financial instruments are measured at fair value at each reporting date. The fair value of these derivatives is measured mainly by reference of the market value and is verified by the financial institutions.

Description of significant unobservable inputs to valuation:

The fair value of unquoted shares (classified as "equity instruments at fair value through other comprehensive income") except that it is sensitive to a reasonably possible change in the forecast cash flows and the discount rate, is also sensitive to a reasonably possible change in growth rates. The valuation requires management to use unobservable inputs in the model, of which the most significant are disclosed in the tables below. The management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

Unquoted shares (classified as "equity instruments at fair value through other comprehensive income")

On 31/3/2020 and 31/12/2019 the Group did not hold any unquoted shares (classified as "Equity instruments valued at fair value through other comprehensive income").

2.20 SUPPLEMENTARY INFORMATION

A. BUSINESS COMBINATION AND METHOD OF CONSOLIDATION

The companies included in the consolidation, with the relevant addresses and the relevant participation percentages are the following:

I. Full consolidation		Domicile	Nature of business	% Direct Part'n	% Indirect Part'n	% Total Part'n
	INTRALOT S.A.	Maroussi, Greece	Holding company / Technology and support services	Parent	Parent	-
3.	BETTING COMPANY S.A.	Maroussi, Greece	Technology and support services	95%	5%	100%
16.	BETTING CYPRUS LTD	Nicosia, Cyprus	Technology and support services		100%	100%
	INTRALOT IBERIA HOLDINGS SA	Madrid, Spain	Holding company	100%		100%
10.	INTRALOT JAMAICA LTD	Kingston, Jamaica	Technology and support services		100%	100%
10.	INTRALOT TURKEY A.S.	Istanbul, Turkey	Technology and support services	50%	49,99%	99,99%
10.	INTRALOT DE MEXICO LTD	Mexico City, Mexico	Technology and support services		99,80%	99,80%
10.	INTRALOT CHILE SPA	Santiago, Chile	Technology and support services		100%	100%
10.	INTELTEK INTERNET AS	Istanbul, Turkey	Management contracts	20%	25%	45%
	INTRALOT SERVICES S.A.	Paiania, Greece	Technology and support services	100%		100%
	BILYONER INTERAKTIF HIZMELTER AS GROUP	Istanbul, Turkey	Management contracts	50,01%		50,01%
	INTRALOT MAROC S.A.	Casablanca, Morocco	Management contracts	99,83%		99,83%
	INTRALOT INTERACTIVE S.A.	Maroussi, Greece	Technology and support services	100%		100%
	INTRALOT GLOBAL SECURITIES B.V.	Amsterdam, Netherlands	Holding company	100%		100%
1.	INTRALOT CAPITAL LUXEMBOURG S.A.	Luxembourg, Luxembourg	Financial services		100%	100%
1,2,3,4.	INTRALOT GLOBAL HOLDINGS B.V.	Amsterdam, Netherlands	Holding company		100%	100%
5.	INTRALOT INC	Atlanta, USA	Technology and support services		100%	100%
12.	DC09 LLC	Wilmington, USA	Technology and support services		49%	49%
12.	INTRALOT TECH SINGLE MEMBER S.A.	Maroussi, Greece	Technology and support services		100%	100%
5.	INTRALOT AUSTRALIA PTY LTD	Melbourne, Australia	Technology and support services		100%	100%
9.	INTRALOT GAMING SERVICES PTY	Melbourne, Australia	Technology and support services		100%	100%
5.	ILOT CAPITAL UK LTD	Hertfordshire, United Kingdom	Financial services	0,02%	99,98%	100%
5.	ILOT INVESTMENT UK LTD	Hertfordshire, United Kingdom	Financial services	0,02%	99,98%	100%
5.	INTRALOT NEDERLAND B.V.	Amsterdam, Netherlands	Technology and support services		100%	100%
17.	INTRALOT BENELUX B.V.	Amsterdam, Netherlands	Technology and support services		100%	100%
5.	LOTROM S.A.	Bucharest, Romania	Management contracts		84%	84%
5.	INTRALOT BEIJING Co LTD	Beijing, China	Technology and support services		100%	100%
5.	TECNO ACCION S.A.	Buenos Aires, Argentina	Technology and support services		50,01%	50,01%
5.	TECNO ACCION SALTA S.A.	Buenos Aires, Argentina	Licensed operations		50,01%	50,01%

I. Full consolidation		Domicile	Nature of business	% Direct Part'n	% Indirect Part'n	% Total Part'n
5.	MALTCO LOTTERIES LTD	Valetta, Malta	Licensed operations		73%	73%
5.	INTRALOT NEW ZEALAND LTD	Wellington, New Zealand	Technology and support services		100%	100%
5.	INTRALOT DO BRAZIL LTDA	Sao Paulo, Brazil	Licensed operations		80%	80%
14.	OLTP LTDA	Rio de Janeiro, Brazil	Licensed operations		80%	80%
5.	INTRALOT GERMANY GMBH	Munich, Germany	Technology and support services		100%	100%
5.	INTRALOT FINANCE UK LTD	London, United Kingdom	Financial services		100%	100%
5,3.	INTRALOT ASIA PACIFIC LTD	Hong Kong, China	Technology and support services	31,87%	68,13%	100%
5.	BETA RIAL Sp. Zoo	Warsaw, Poland	Holding company		100%	100%
5.	POLLOT Sp. Zoo	Warsaw, Poland	Holding company		100%	100%
5.	NIKANTRO HOLDINGS Co LTD	Nicosia, Cyprus	Holding company		100%	100%
18.	LOTERIA MOLDOVEI S.A.	Chisinau, Moldova	Licensed operations	47,90%	32,85%	80,75%
5.	INTRALOT BETTING OPERATIONS (CYPRUS) LTD	Nicosia, Cyprus	Holding company		54,95%	54,95%
5,6.	ROYAL HIGHGATE LTD	Nicosia, Cyprus	Licensed operations		35,08%	35,08%
5.	INTRALOT LEASING NEDERLAND B.V.	Amsterdam, Netherland	Financial services		100%	100%
5.	INTRALOT IRELAND LTD	Dublin, Ireland	Technology and support services		100%	100%
5.	BILOT INVESTMENT LTD	Sofia, Bulgaria	Holding company		100%	100%
11.	EUROBET LTD ¹	Sofia, Bulgaria	Licensed operations		49%	49%
13.	EUROBET TRADING LTD ¹	Sofia, Bulgaria	Trading company		49%	49%
13.	ICS S.A. ¹	Sofia, Bulgaria	Licensed operations		49%	49%
5.	INTRALOT GLOBAL OPERATIONS B.V.	Amsterdam, Netherland	Technology and support services		100%	100%
5.	GARDAN LTD	Majuro, Marshall Islands	Technology and support services		100%	100%
5,2.	GAMEWAY LTD	Valletta, Malta	Technology and support services		100%	100%
5.	INTRALOT ITALIAN INVESTMENTS B.V.	Amsterdam, Netherlands	Holding company		100%	100%
5.	BIT8 LTD	Valletta, Malta	Technology and support services		100%	100%
5.	INTRALOT ADRIATIC DOO	Zagreb, Croatia	Technology and support services		100%	100%
5.	INTRALOT CYPRUS GLOBAL ASSETS LTD	Nicosia, Cyprus	Holding company		100%	100%
8.	INTRALOT OOO	Moscow, Russia	Management contracts		100%	100%
	INTRALOT HOLDINGS INTERNATIONAL LTD	Nicosia, Cyprus	Holding company	100%		100%
2.	INTRALOT INTERNATIONAL LTD	Nicosia, Cyprus	Technology and support services		100%	100%
3.	INTRALOT OPERATIONS LTD	Nicosia, Cyprus	Technology and support services		100%	100%
2,4.	NETMAN SRL	Bucharest, Romania	Management contracts		100%	100%
2.	BILOT EOOD	Sofia, Bulgaria	Holding company		100%	100%
2.	INTRALOT BUSINESS DEVELOPMENT LTD	Nicosia, Cyprus	Technology and support services		100%	100%
2,4.	GAMING SOLUTIONS INTERNATIONAL SAC	Lima, Peru	Licensed operations		100%	100%
3.	ENTERGAMING LTD	Alderney, Guernsey	Licensed operations		100%	100%
2.	INTRALOT BETTING OPERATIONS RUSSIA LTD	Nicosia, Cyprus	Holding company		100%	100%

II. Equity method		Domicile	Nature of business	% Direct Part'n	% Indirect Part'n	% Total Part'n
	LOTRICH INFORMATION Co LTD	Taipei, Taiwan	Technology and support services	40%		40%
	INTRALOT SOUTH AFRICA LTD	Johannesburg, S. Africa	Technology and support services	45%		45%
2,3.	GOREWARD LTD	Taipei, Taiwan	Holding company		38,84%	38,84%
20.	GOREWARD INVESTMENTS LTD	Taipei, Taiwan	Holding company		38,84%	38,84%
20.	PRECIOUS SUCCESS LTD GROUP	Hong Kong, China	Licensed operations		19,03%	19,03%
20.	GAIN ADVANCE GROUP LTD	Hong Kong, China	Holding company		38,84%	38,84%
20.	OASIS RICH INTERNATIONAL LTD	Taipei, Taiwan	Technology and support services		38,84%	38,84%
21.	WUSHENG COMPUTER TECHNOLOGY (SHANGHAI) CO LTD	Shanghai, China	Technology and support services		38,84%	38,84%
2.	UNICLIC LTD	Nicosia, Cyprus	Holding company		50%	50%
19.	DOWA LTD	Nicosia, Cyprus	Holding company		30%	30%
5.	KARENIA ENTERPRISES COMPANY LTD	Nicosia, Cyprus	Holding company		50%	50%
	INTRALOT DE PERU SAC	Lima, Peru	Licensed operations	20%		20%
15.	EUROFOOTBALL LTD	Sofia, Bulgaria	Licensed operations		49%	49%
11.	EUROBET LTD ¹	Sofia, Bulgaria	Licensed operations		49%	49%
13.	EUROBET TRADING LTD ¹	Sofia, Bulgaria	Trading company		49%	49%
13.	ICS S.A. ¹	Sofia, Bulgaria	Licensed operations		49%	49%

Subsidiary of the company:

1: Intralot Global Securities BV	7: Intralot Italian Investments B.V.	13: Eurobet Ltd	19: Uniclic LTD
2: Intralot Holdings International LTD	8: Intralot Cyprus Global Assets LTD	14: Intralot Do Brazil LTDA	20: Goreward LTD
3: Intralot International LTD	9: Intralot Australia PTY LTD	15: Bilot EOOD	21: Oasis Rich International LTD
4: Intralot Operations LTD	10: Intralot Iberia Holdings S.A.	16: Betting Company S.A.	
5: Intralot Global Holdings BV	11: Bilot Investment Ltd	17: Intralot Nederland BV	
6: Intralot Betting Operations(Cyprus) LTD	12: Intralot Inc	18: Nikantro Holdings Co LTD	

¹ The companies Eurobet Ltd, Eurobet Trading Ltd and ICS SA are consolidated under the full consolidation method during the period 1/1-31/3/2020, and from 1/4/2020 under the equity method due to the loss of control according to IFRS 10 (note [2.20.A.V.](#)).

The standalone annual financial statements of the most important subsidiaries of the Group (not listed on a stock exchange) are posted on the INTRALOT website (www.intralot.com) pursuant to article 1 of the Board of Directors' decision 8/754/14.04.2016 of the Hellenic Capital Market Commission.

The entities Loteria Moldovei S.A., Gameway Ltd, Intralot De Mexico Ltd, Intralot Services S.A., Intralot OOO, Beta Rial Sp.Zoo, Pollot Sp.Zoo, Uniclic Ltd, Dowa Ltd, Entergaming Ltd, Intralot Asia Pacific Ltd and Gain Advance Group LTD are under liquidation process.

On 31/3/2020, the Group or its subsidiaries did not have any significant contractual or statutory restrictions on their ability to access or use the assets and settle the liabilities of the Group.

The following United Kingdom subsidiaries are exempt from the requirements of the Companies Act 2006 relating to the statutory audit of individual company accounts by virtue of Section 479A of that Act:

Intralot Finance UK Ltd (company number 6451119)

Ilot Capital UK Limited (company number 9614324)

Ilot Investments UK Ltd (company number 9614271)

However, Intralot Finance UK Ltd has been audited in 2018 for IFRS Group reporting purposes.

III. Acquisitions

The Group did not proceed to any acquisition of new entities for the first quarter of 2020.

IV. New Companies of the Group

The Group did not establish any new entity for the first quarter of 2020.

In May 2020, the Group established Intralot Betco EOOD, domiciled in Bulgaria and operating in the field of Software Development and Provision of Information Systems and Services, being a 100% subsidiary of Intralot Global Holdings BV.

V. Changes in ownership percentage / Changes in consolidation method

Changes in ownership percentage

In January 2020, the Group announced that via its fully owned subsidiary Intralot Iberia Holdings SAU signed a binding term-sheet to acquire from Turkcell Bilişim Servisleri A.Ş., Global Bilgi Paz. Dan. ve Çağrı Servisi Hizm. A.Ş and Turkcell Satış ve Dijital İş Servisleri A.Ş. their total shareholding of 55% in İnteltek İnternet Teknoloji Yatırım ve Danışmanlık Ticaret A.Ş. ("Inteltek") including all rights and liabilities to Intralot Iberia Holdings SAU. The respective transaction is expected to be completed within the third quarter of 2020 once the final share sale and purchase agreement ("SPA") is signed and necessary legal approvals are obtained. The final value of the transaction will be determined based on IFRS net book value of Inteltek and no material impact is expected on our financial statements.

Changes in consolidation method

Since the end of March 2020 the conditions under which Eurobet Ltd group was fully consolidated, according to IFRS 10, in the financial statements of INTRALOT Group have ceased, and the company since then is consolidated under the equity method.

The remaining investment of the Group (49%) in Eurobet Ltd group was estimated as of zero value, taking into account the events as described in note [2.20.A.X](#) . Net losses from Eurobet Ltd group net assets derecognition, as well as the reclassification of non-controlling interests according to IFRS 10 par. 25, came up to €563 thousand and are presented in Income Statement of the Group (row "Income/(expenses) from participations and investments" – "Losses from sale of participations and investments").

Eurobet Ltd group contribution to Intralot Group for the three-months period of 2020 was, €8,7 million in Sales, €0,7 million in EBITDA, as well as €0,3 million in Profit after tax attributable to the equity holders of the parent.

VI. Subsidiaries' Share Capital Increase

During the first quarter of 2020 the Group completed a share capital increase through payment in cash in Netman SRL amounting €167 thousand.

VII. Strike off - Disposal of Group Companies

The Group completed the liquidation and strike off of its subsidiary White Eagle Investments Ltd (January 2020).

VIII. Discontinued Operations

A) 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 aforementioned subsidiary is presented in the geographic operating segment "European Union" (Note 2.2). 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.

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):

	1/1-31/3/2019
Sale proceeds	21.533
Expenses	-22.898
Other operating income	56
Other operating expenses	-14
EBIT	-1.323
EBITDA	-1.248
Income / (expense) from participations and investments	0
Gain/(loss) from assets disposal, impairment loss and write-off of assets	-6
Interest and similar expenses	-61
Interest and similar income	1
Exchange Differences	-9
Profit/(loss) before tax	-1.398
Income tax	0
	-1.398
Gain/(loss) from disposal of discontinued operations	0
Relevant taxes	0
Gain/(loss) after taxes from discontinued operations	-1.398
Attributable to:	
Equity holders of the parent Company	-1.397
Non-controlling interest	-1

The final consideration for the disposal of Totolotek SA amounted to approximately €8,0 million, including the contingent consideration, in case of meeting certain terms and requirements within 2 years, amounting to approximately €1,8 million on a discounted basis (€2,0 million in future value). From the above consideration amount approximately €5,5 million was paid in the first six-months of 2019 and amount approximately €0,8 million in July 2019.

Below are presented the net cash flows of the discontinued operations in Totolotek SA:

	1/1-31/3/2019
Operating activities	-1.085
Investing activities	-27
Financing activities	561
Effect from exchange differences	0
Net increase / (decrease) in cash and cash equivalents for the period	-551

B) Italy

In October and in November 2019 INTRALOT announced that its subsidiary Intralot Italian Investments B.V. signed a share purchase agreement with the Italian company "Gamma Bidco S.r.I." (a company formed on behalf of funds managed by Apollo Management IX, L.P.) for the sale of its stake in Gamenet Group S.p.A. (6.000.000 shares or 20% of its share capital), for the amount of €78 million. The aforementioned associate is presented under the geographical operating area "European Union" (note [2.2](#)). As of 22/10/2019 the activities of the Group in Italy have been classified as discontinued operations. The transaction was completed in mid-December 2019 following the necessary approvals by the relevant competition and regulatory authorities among with the payment of the above price.

Below are presented the results of the Group's discontinued operations in Italy for the period 1/1-31/3/2019 (in 2019 were consolidated under the equity method until 22/10/2019):

	1/1-31/3/2019
Expenses	2.451
Profit / (loss) before taxes	2.451
Income Tax	0
	2.451
Gain/(loss) from disposal of discontinued operations	0
Relevant taxes	0
Gain/(loss) after taxes from discontinued operations	2.451
Attributable to:	
Equity holders of the parent Company	2.451
Non-controlling interest	0

The selling price of Gamenet Group S.p.A. amounted to €78,0 million and it was paid in December 2019.

Below are presented the net cash flows of the discontinued operations of the associate Gamenet Group S.p.A. on a consolidated level:

	1/1-31/3/2019
Operating activities	0
Investing activities	0
Financing activities	0
Effect from exchange differences	0
Net increase / (decrease) in cash and cash equivalents for the period	0

Below are presented the earnings / (losses) after taxes per share of the Group's discontinued operations from the subsidiary Totolotek S.A. and its associate Gamenet Group S.p.A

Earnings/(losses) after tax per share (in €) from discontinued operations	1/1- 31/3/2019
-basic	0,0071
-diluted	0,0071
Weighted Average number of shares	147.761.688

IX. Companies merge

The Group did not proceed with any merge of companies in the first quarter of 2020.

X. Termination / suspension of gaming licenses

Eurobet Ltd group

In February 2020 the Government of Bulgaria has passed legislation that amends the local gambling law, according to which all lottery-type of games, except for KENO type of games, are organized under a State Monopoly. As a consequence, three of the six gaming licenses held by Eurobet Ltd, a 49% subsidiary of INTRALOT Group, have been terminated by Law on 21/2/2020. Also, in early March 2020, Eurobet Ltd voluntarily returned the rest three gaming licenses, that were active but not operated (not producing any revenue). Finally, in March 2020 Eurobet Ltd and its subsidiary ICS SA submitted applications for opening bankruptcy proceedings for protection against their lenders, which are still pending due to COVID-19 pandemic. Also, the other subsidiary of Eurobet Ltd, Eurobet Trading Ltd is under relevant preparations. Further analysis is disclosed in note [2.21.A.](#)

In addition, in February 2020 the Bulgarian State Gambling Commission (SGC) notified Eurobet Ltd for a claim of retrospective State Fees amounting to BGN 74,4 million (€38,0 million). The company appealed before the local Administrative Courts. Further analysis is disclosed in note [2.21.B.ii.](#)

Eurofootball Ltd

In February 2020 the Bulgarian State Gambling Commission (SGC) notified Eurofootball Ltd for a claim of retrospective State Fees amounting to BGN 328,9 million (€168,2 million). The company appealed before the local Administrative Courts. Further analysis is disclosed in note [2.21.B.ii.](#)

In addition, in March 2020 the imposition of emergency sanctions on Bulgaria due to the COVID-19 pandemic has led to the indefinite shut down of the point of sale network of Eurofootball Ltd. During the shutdown for health reasons, on 25/3/2020 the State Gambling Commission of Bulgaria issued two decisions regarding the temporary suspension of gaming licenses of Eurofootball Ltd for a period of three months, until the judgement of the above appeals for the State Fees. On 30/3/2020 the shareholders in Eurofootball Ltd terminated the Business Cooperation Agreement, they agreed on removing the specific majorities in the General meeting of the shareholders and also the manager appointed by Bilot EOOD was released on 14/4/2020. Further analysis is disclosed in note [2.21.A.](#)

B. REAL LIENS

A Group subsidiary in Malta has banking facility amounting €4,3 million, for issuing bank letters of guarantee. This facility is secured by an initial general mortgage on all the subsidiary's present and future assets (on 31/12/2019 the letters of guarantee used amounted to €4,0 million). Also, the subsidiary of the Group in Netherlands has secured a loan, with an unpaid balance of € 8,0 million on 31/3/2020, with relevant collateral on financial assets.

There are no other restrictions than the above, in the ownership or transfer or other encumbrances on the Group's property.

On March 31, 2020, the Group had no contractual commitments for the purchase of tangible assets. In the Group Statement of Financial Position (row "Trade and other short term receivables") of 31/3/2020 are included collateralized bank deposits as security coverage for banking facilities amounting €3.635 thousand (31/12/2019: €3.575 thousand) and other collateralized bank deposits amount to €544 thousand (31/12/2019: €373 thousand). Respectively, for the Company on 31/3/2020 are included collateralized bank deposits as security coverage for banking facilities amounting €30 thousand (31/12/2019: €30 thousand) and other collateralized bank deposits amount to €125 thousand (31/12/2019: €126 thousand).

C. PROVISIONS

GROUP	Litigation cases ¹	Unaudited fiscal years and tax audit expenses ²	Other provisions ³	Total provisions
Period opening balance	4.817	6.630	2.635	14.082
Period additions	0	0	326	326
Utilized provisions	-290	0	-417	-707
Change of consolidation method	0	0	-3	-3
Foreign exchange differences	-746	0	-143	-889
Period closing balance	3.781	6.630	2.398	12.809
Long term provisions	3.624	6.630	55	10.309
Short term provisions	157	0	2.343	2.500
Total	3.781	6.630	2.398	12.809

¹ Relate to litigation cases as analyzed in note [2.21.A](#).

² Relate to provisions for the coverage of differences from future audits for income taxes and other taxes. It is expected to be used in the next 1-3 years.

³ Relate to provisions for risks none of which are individually material to the Group except from provisions for additional fees (bonus) and other employee benefits of the Group amounting to €866 thousand as well as provisions amounting to €1.147 for earned winnings which relate to sports betting prices and guaranteed future numerical games jackpots. The Other provisions are expected to be used in the next 1-6 years.

COMPANY	Litigation cases ¹	Unaudited fiscal years and tax audit expenses ²	Other provisions	Total provisions
Period opening balance	4.721	6.630	0	11.351
Utilised Provisions	-194	0	0	-194
Foreign exchange differences	-746	0	0	-746
Period closing balance	3.781	6.630	0	10.411
Long term provisions	3.624	6.630	0	10.254
Short term provisions	157	0	0	157
Total	3.781	6.630	0	10.411

¹ Relate to litigation cases as analyzed in note [2.21.A](#).

² Relate to provisions for the coverage of differences from future audits for income taxes and other taxes. It is expected to be used in the next 1-3 years.

D. PERSONNEL EMPLOYED

The number of employees of the Group on 31/3/2020 amounted to 3.865 persons (Company/subsidiaries 2.140 and associates 1.725) and the Company's to 607 persons. Respectively on 31/3/2019 the number of employees of the Group amounted to 5.165 persons (Company/subsidiaries 3.000 and associates 2.165) and the Company 686 persons. At the end of 2019 fiscal year the number of employees of the Group amounted to 3.845 persons (Company/subsidiaries 2.212 and associates 1.633) and the Company 644 persons.

E. RELATED PARTY DISCLOSURES

Intralot SA purchases goods and services and/or provides goods and services to various related companies, in the ordinary course of business. These related companies consisting of subsidiaries, associates or other related companies which have common ownership and / or management with Intralot SA.

Below is a condensed report of the transactions for the first quarter of 2020 and the balances on 31/3/2020 of other related parties:

Amounts reported in thousands of € (total operations)	1/1-31/3/2020	
	GROUP	COMPANY
Income		
-from subsidiaries	0	9.221
-from associates and joint ventures	904	832
-from other related parties	17	0
Expenses		
-to subsidiaries	0	4.790
-to associates and joint ventures	10	0
-to other related parties	1.972	1.428
BoD and Key Management Personnel transactions and fees	1.652	1.131

Amounts reported in thousands of €	31/3/2020	
	GROUP	COMPANY
Receivables		
-from subsidiaries	0	72.025
-from associates and joint ventures	6.153	6.083
-from other related parties	4.898	1.922
Payables		
-to subsidiaries	0	303.845
-to associates and joint ventures	522	522
-to other related parties	8.177	6.232
BoD and Key Management Personnel receivables	0	0
BoD and Key Management Personnel payables	225	0

Below there is a summary of the transactions for the first quarter of 2019 and the balances on 31/12/2019 with related parties:

Amounts reported in thousands of € (total operations)	1/1-31/3/2019	
	GROUP	COMPANY
Income		
-from subsidiaries	0	8.912
-from associates and joint ventures	881	881
-from other related parties	1.220	1.203
Expenses		
-to subsidiaries	0	-27
-to associates and joint ventures	0	0
-to other related parties	3.909	3.152
BoD and Key Management Personnel transactions and fees	2.333	1.313

Amounts reported in thousands of €	31/12/2019	
	GROUP	COMPANY
Receivables		
-from subsidiaries	0	74.921
-from associates and joint ventures	6.019	5.969
-from other related parties	5.088	1.936
Payables		
-to subsidiaries	0	300.258
-to associates and joint ventures	1.050	533
-to other related parties	9.231	7.360
BoD and Key Management Personnel receivables	40	0
BoD and Key Management Personnel payables	369	129

Sales and services to related parties are made at normal market prices. Outstanding balances at year end are unsecured and settlement occurs in cash. No guarantees have been provided or received for the above receivables.

The first quarter of 2020, the Company didn't make any provision concerning an estimate of reduction of the recoverable value of receivables from subsidiaries. The cumulative provisions as of 31/3/2020 amounted to €28 million (31/12/2019: €28,0 million).

2.21 CONTINGENT LIABILITIES, ASSETS AND COMMITMENTS

A. LITIGATION CASES

a. Against (a) publishing company "I. Sideris – Andreas Sideris Sons O.E.", (b) the Foundation of Economic and Industrial Researches (IOBE), (c) Mr. Theodosios Palaskas, Director of Research of IOBE, (d) the Kokkalis Foundation, and (e) INTRALOT, a lawsuit of Mr. Charalambos Kolymbalis, was filed on 8th March 2007 before the Multi-member Athens Court of First Instance. With his lawsuit, the plaintiff requests to be recognized as the sole creator of the project entitled "The financial consequences of sports in Greece" and his intellectual property right on this, and that the amount of €300.000 to be paid to him as monetary compensation for moral damages. Date of the hearing was set the 20th February 2008 when it was postponed for 4th March 2009 and then again for 24th February 2010; on that date the hearing of the case was cancelled due to strike of the judicial secretaries. New hearing date was scheduled the 23rd May 2012 when the case was heard and the decision no. 5724/2012 of the Athens Multi-member Court of First Instance was issued which dismissed the lawsuit. On 17 October 2015 an appeal was served to the company against the above decision, which was scheduled to be heard before the Athens Court of Appeals on 11 February 2016; on that date the hearing was postponed for 22 September 2016 due to lawyers strike when it was cancelled, while following a request of the plaintiff a new hearing date is set for 9 March 2017 when the case has been heard and a decision of the Court of Appeals was issued which ordered the repeat of the appeal's hearing. The date for the hearing was set for the 22nd of February 2018 when the case was heard and decision no. 3253/2018 of the Athens Court of Appeals was issued which rejected the appeal; until now, no application for cassation was has been filed by the opponent.

b. In Colombia, INTRALOT, on 22nd July 2004, entered into an agreement with an entity called Empresa Territorial para la salud ("Etesa"), under which it was granted with the right to operate games of chance in Colombia. In accordance with terms of the abovementioned agreement, INTRALOT has submitted an application to initiate arbitration proceedings against Etesa requesting to be recognized that there has been a disruption to the economic balance of abovementioned agreement to the detriment of INTRALOT and for reasons not attributable to INTRALOT and that Etesa to be compelled to the modification of the

financial terms of the agreement in the manner specified by INTRALOT as well as to pay damages to INTRALOT (including damages for loss of profit) or alternatively to terminate now the agreement with no liability to INTRALOT. The arbitration court adjudicated in favour of Etesa the amount of 23,6 billion Colombian pesos (approx. €5,3m). The application for annulment of the arbitration award filed by INTRALOT before the High Administrative Court was rejected. The Company filed a lawsuit before the Constitutional Court which was rejected. On 31 August 2016 an application was served to the Company requesting to render the abovementioned arbitration decision as executable in Greece which was heard before the Athens One-Member First Instance Court and the decision issued accepted it. The Company filed an appeal against this decision which was rejected by the Athens Court of Appeals. The Company filed, before the Supreme Court, a cassation appeal against the decision of the Athens Court of Appeals which is scheduled for hearing on 22 January 2021 and, in parallel, a request for suspension of execution which has been accepted by the Supreme Court which suspended the execution until the above hearing date (22 January 2021). The Company has created relative provision in its financial statements part of which (€2,2m) has already been used for the payment to Etesa of a letter of guarantee amounting to 7.694.081.042 Colombian pesos.

c. Against the subsidiary Intralot Holdings International Ltd., a shareholder of LOTROM SA and against LOTROM SA, another shareholders of LOTROM SA, Mr. Petre Ion filed a lawsuit before the competent court of Bucharest requesting that Intralot Holdings International Ltd to be obliged to purchase his shares in LOTROM SA for €2.500.000 and that LOTROM SA to be obliged to register in the shareholders book such transfer. Following the hearing of 28th September 2010 a decision of the court was issued accepting the lawsuit of the plaintiff. Intralot Holdings International Ltd and LOTROM SA filed an appeal which was rejected. The abovementioned companies further filed a recourse before the Supreme Court which was heard and rejected. Mr. Petre Ion initiated an enforcement procedure of the above decision in Romania. The companies will exercise legal means against the enforcement procedure according to the provisions of the Romanian laws.

d. Mr. Petre Ion filed in Romania a lawsuit against Intralot Holdings International Ltd and LOTROM requesting to issue a decision to replace the share purchase contract of its shares in LOTROM SA for €2.500.000 (for which he had filed the above lawsuit) in order to oblige Intralot Holdings International Ltd a) to pay the amount of €400.000 as tax on the above price, b) to sign on the shareholders book for the transfer of the shares, c) to pay the price of the transfer and the legal costs. The Court of First Instance rejected Mr. Petre Ion's lawsuit. Mr. Petre Ion filed an appeal which was heard on 4 November 2014 and was partially accepted. The Company filed an appeal against this decision which was rejected. Following postponements, the case was heard on 10 June 2016 and the respective first instance decision was issued on 19 July 2016; the lawsuit against LOTROM was rejected while it was accepted partially in respect to its part filed against Intralot Holdings International Ltd., obligating the latter to pay the amount of the purchase and the legal expenses. Both Intralot Holdings International Ltd. and Mr. Petre Ion filed appeals against this decision which was heard and were rejected. The decision became final, while the application for cassation filed by Intralot Holdings International Ltd was rejected.

e. On 24 April 2013 the Company was notified of the existence of a research conducted by the Competition Board of Romania in relation to the contract signed in 2003 with Compania Nationala Loteria Romana

regarding the Videolotto program. The Competition Board of Romania imposed a fine to the Company amounting to 5.541.874 RON (€1.147.789,91) and to the subsidiary LOTROM to 512.469 RON (€106.138,60). The Company and its subsidiary LOTROM filed a lawsuit against the respective decision requesting its annulment and the suspension of its execution. The applications for the suspension of validity of the above decision of the Competition Board were rejected and the Company and its subsidiary LOTROM filed appeals; no hearing date has been scheduled yet. Also, an application for the suspension of execution was filed by INTRALOT, scheduled to be heard on 13th November 2014, date on which the Court decided to suspend the issue of the decision until the competent court decides on the main recourse filed for annulment of the decision of the Competition Board. Against said decision an appeal was filed which has been rejected. Finally, the applications for the annulment of the decision of the Competition Board filed by LOTROM and INTRALOT were accepted by the court and the respective fines were cancelled. Against LOTROM and the respective abovementioned decision, the Competition Board of Romania filed an appeal which has been heard and rejected by the High Court. This decision is final. The Competition Board filed a separate appeal against the decision which accepted INTRALOT's application for the annulment which has been scheduled for hearing, following postponements, on 8 September 2020.

f. In Romania, the subsidiary Lotrom was notified on the beginning of an investigation conducted by the competent authorities against the state lottery CNLR, client of the Group, in relation to alleged occurrence of the crime of conducting games of chance without license and possible complicity to that, in relation to the operation of Video Lottery machines of CNLR; the Group was the technology provider of CNLR from 2003 to 2014. INTRALOT was notified, through rogatory procedure, that itself along with LOTROM and Intracom, are alleged to be accomplices of the state lottery CNLR to the abovementioned crimes. INTRALOT refuted with a memo duly submitted within February 2016, the above allegations. Due to the initial stage of the procedure which, for the time, relates to the collection of evidences and the conduct of investigation actions and the nature of the case as well as due to the secrecy of the investigation procedures, neither further comments on the issue nor any estimation of any possible negative financial effect on the financials of the group can be provided.

g. In August 2012, two British Virgin Island companies filed a Complaint in the United States Bankruptcy Court Southern District of Florida, Miami Division, against numerous defendants, including Supreme Ventures Limited ("SVL"), a publicly traded gaming company listed on the Jamaican Stock Exchange in which INTRALOT was holding until 10.10.2017 an indirect shareholding interest. Notably, as per SVL, the lawsuit is based on the same claims (related to demands arose before the acquisition of INTRALOT's participation in SVL), towards third parties, initial shareholders and/or directors of SVL, or not, which were brought in, and were recently rejected by the Jamaican courts, first by the Supreme Court and then again by the Court of Appeals. INTRALOT is named as a «Relief Defendant» which means that INTRALOT is not alleged to have been part - directly or indirectly - of any wrongdoing, since the alleged by the plaintiffs acts are made before the acquisition of SVL's shares by INTRALOT through the Jamaican Stock Exchange. Intralot agrees with SVL's opinion that the Complaint is wholly without merit and expects that it will be successful in the Florida courts, as it was in the Jamaican courts.

h. On 30 July 2012, Intralot filed before the Athens Multi-member Court of First Instance a lawsuit against the company "Hellenic Organization of Horse Racing S.A." (ODIE) requesting the payment of the amount

of €2.781.381,15 relating to system maintenance services provided but not paid. The case was heard on 6th May 2015 and a decision was issued accepting Intralot's lawsuit in full. ODIE filed an appeal against this decision which has been heard on 1 November 2018 before the Athens Court of Appeal which was rejected with the decision no. 3153/2019 of the Athens Court of Appeal. The decision has not been further appealed and, therefore, has become final and irrevocable.

Moreover, Intralot filed a recourse to the arbitration panel on 13 August 2012 against the same company ODIE requesting the payment of the amount of €9.551.527,34 relating to operational services of integrated system provided but not paid. The arbitration was concluded on 1st March 2013 and the arbitration decision no 27/2013 was issued vindicating Intralot and compelling ODIE to pay to Intralot the total amount requested (€9.551.527,34). In order to secure its claims, Intralot:

a) by virtue of the above arbitration decision, has already recorded on the mortgage books of the Land Registry Office of Kropia a mortgage on a land property of ODIE and specifically on the property where the Horse Racetrack of Athens in Markopoulo Attica is operating, and on the buildings thereupon, for an amount of €11.440.655,35.

b) by virtue of the decision no 2209/2014 of the Athens Single Member Court of First Instance, has already recorded on the mortgage books of the Land Registry Office of Kropia, a note of mortgage on the same real estate of ODIE for an amount of €9.481.486,11, which, following the issue of the above decision no. 3153/2019 of the Athens Court of Appeal, partially turned to a mortgage for the total amount adjudicated, i.e. for the amount of €2.781.381,15

c) advanced the procedure of compulsory execution against ODIE in order to execute its claims.

Furthermore, on 20 March 2014, Intralot filed before the Athens Multi-member Court of First Instance a lawsuit against ODIE requesting the payment of the amount of €8.043.568,69 which is owed to it pursuant to the "Agreement of Maintenance and Operation of the System of the Mutual Betting on Horse Races of ODIE" dated 6 March 2012. The lawsuit was heard on 4 October 2017 and the decision issued accepted the lawsuit. ODIE filed an appeal which was rejected by the Athens Court of Appeals.

The confiscation on the above land property of ODIE in Markopoulo Attica imposed in the frame of the abovementioned procedure of compulsory execution against ODIE, was reversed with the consent of Intralot on 15 December 2015 in execution of the terms of the agreement dated 24 November 2015 between Intralot and ODIE which settled the payment of all above claims of Intralot. Pursuant to this agreement, ODIE assigned to Intralot 2/3 of the rent which it will receive from the lease agreement relating to that real estate to the company "Ippodromies SA". The payment of the assigned rent amounts has already been started.

i. A former officer of the Company filed a lawsuit before the Athens First Instance Court requesting to be recognized that the Company had to pay him the amount of €121.869,81 as non-paid wages. The decision issued partially accepted the lawsuit in relation to the amount of €80.685,42. Both parties have filed appeals against this decision which are scheduled to be heard on 26 May 2020 when it was not heard because of suspension of courts' operation due to the due to the coronavirus pandemic. The Group has made respective provisions to its financial statements.

j. There is a dispute pending between on the one hand the subsidiary company Intralot Leasing Netherlands B.V. in its capacity as lessee and the Company in its capacity as guarantor and on the other hand the company Econocom Nederland B.V. with respect to a sale and leaseback of equipment agreement

dated 28 March 2013 and more specifically in relation to a claim of Econocom Nederland B.V. for further payments to it. As per the agreement's terms, a stand-by letter of credit issued by the French bank Societe Generale in the amount of €5mil. had been delivered to Econocom Nederland B.V. The Company requested from the competent French court in Paris this stand-by letter of credit not to be called and the court issued a temporary decision restricting Societe Generale from paying any amount from the above stand-by letter of credit to Econocom Nederland B.V. until the hearing of the case, following postponement, on 17 January 2017. Additionally, the Company filed injunctions in the Netherlands against Econocom Nederland B.V. and the court accepted the respective application and prohibited Econocom Nederland B.V. to request the payment of the abovementioned letter of guarantee and of the relevant corporate guarantee, until the issue of the final judgment, ordering Econocom Nederland B.V. to pay a penalty of €10m in case of breach of the prohibition. Against the injunctions decision Econocom Nederland B.V. filed an appeal which was heard on 13 November 2017 and the decision issued rejected the appeal and upheld the decision on the injunctions. Against this decision Econocom Nederland B.V. filed an appeal for cassation. The decision issued upheld the decision of the Court of Appeals that Econocom Nederland B.V. may not invoke the bank guarantee and the corporate guarantee.

A lawsuit was also filed with a request to be recognized that no further amounts are due to Econocom Nederland B.V. by virtue of the above agreement; the lawsuit which was heard and was accepted by the court. Against this decision Econocom Nederland B.V. filed an appeal which has been rejected by the Court of Appeal.

k. In Cyprus, the National Betting Authority had suspended the Class A license of the company Royal Highgate Pcl Ltd. in which the Company has an indirect participation of approx. 35,08%, initially for a period of two months, alleging non-compliance of Royal Highgate Pcl Ltd. with specific terms of the license. Royal Highgate Pcl Ltd. considering that those requested by the National Betting Authority are beyond the provisions of the law, filed a recourse before the competent administrative court of Nicosia which was heard on 30 March 2018. The decision issued rejects the recourse for typical reasons. Royal Highgate Pcl Ltd. filed an appeal against this decision which is at the hearing process. In parallel, Royal Highgate Pcl Ltd. has filed three more recourses against decisions of the National Betting Authority relating to the suspension of the license of Royal Highgate Pcl Ltd. which are all scheduled for hearing, following postponements, on 10 June 2020. National Betting Authority started the procedure for the revocation of the license of Royal Highgate Pcl Ltd. and the latter submitted its arguments on 30 November 2018 without any further actions from the National Betting Authority. On 31 December 2018, the contractual term of the license of Royal Highgate Pcl Ltd. expired.

l. In USA, in South Carolina State, class actions were filed against the local lottery South Carolina Education Lottery Commission and the subsidiary Intralot Inc. for breach of contract with the allegation that because of malfunctioning of the system there were winning tickets which were not paid and claiming a total compensation of approx. 35 million USD (€31,9 million). The local court accepted Intralot Inc.'s motions to dismiss in two lawsuits, holding that the plaintiffs were required to exhaust administrative remedies and failed to do so. The other side filed appeals against such decisions which are pending. The third similar lawsuit was rejected finally by the court. The Group's management, relying on local expert legal counsels opinion, considers that the lawsuits have low probability of success. It is noted that with regards to such cases, the Group has a respective insurance coverage.

m. In USA, Camelot Illinois put Intralot Inc. on notice on April 30, 2020, of filing an arbitration for USD 1,7 million (€1,5 million) alleging service levels defaults in the state of Illinois. Intralot Inc. will examine the possibility of requesting a respective indemnification from its subcontractor. In any case, Intralot Inc. believes it has a strong legal position against Camelot Illinois. The procedure is pending.

n. A former employee of the Company filed two lawsuits before the Athens First Instance Court requesting, with the first one, the payment of the amount of €133.179,47 for unpaid salaries and €150.000 as compensation for moral damages and, with the second one, the amount of €259.050 for overdue salaries calculated until 3 December 2019 and €150.000 as compensation for moral damages. The first lawsuit was heard on 28 February 2018 and the decision issued partially accepted the lawsuit in relation to the amount of €46.500,82. Both parties filed appeals against this decision which are scheduled to be heard, following postponements, on 22 September 2020. The second lawsuit had been scheduled for hearing, following postponements, on 15 October 2020. The Company had made respective provisions to its financial statements for the period ending on 31 December 2019.

o. In Morocco, a judgment was notified to the subsidiary company Intralot Maroc deciding the payment of the amount of 3.360.000 MAD (€301.485,89) to a supplier company. The company Intralot Maroc filed an appeal which is was accepted and, therefore, Intralot Maroc does not owe this amount. The plaintiff filed a cassation appeal against this decision which is pending.

p. On 1 April 2019, the Company filed a Request for Arbitration before the ICC International Court of Arbitration requesting to be declared that the defendant Sisal SpA has breached a contract signed with Intralot by using, in Morocco, terminals and the software embedded therein. The arbitration procedure is in progress.

q. In Morocco, "La Société de Gestion de la Loterie Nationale" ("SGLN") filed a lawsuit against the Company and its subsidiary Intralot Maroc claiming that it exercised unilaterally its option to transfer to it the equipment of Intralot which was used jointly by SGLN and the other local lottery "La Marocaine des Jeux et des Sports" ("MDJS") and, because of Intralot's denial, it suffered damages in the amount of MAD 18.000.000 (€1.615.103,01) which corresponds to the value of the equipment, while, additionally, it requests MAD 34.000.000 (€3.050.750,13) as loss of profit. It is also requesting the call of the letter of guarantee amounting to MAD 30.000.000 (€2.691.838,35). It is noted that according to the terms of the Intralot's contracts with the two lotteries SGLN & MDJS, the option for the transfer of the equipment as well as any call of the letters of guarantee can only be exercised with a joint request of both entities SGLN & MDJS. The case was scheduled to be heard, following postponements, on 26 March 2020 and since then it is pending because of the suspension of the procedures due to the coronavirus pandemic.

r. In Bulgaria, the Bulgarian State Gambling Commission (SGC) notified both Eurobet Ltd (a 49% subsidiary of the Group) and Eurofootball Ltd (an associate of the Group with a 49% ownership), for a claim of retrospective State Fees amounting to BGN 74,4m (€38,0m) and BGN 328,9m (€168,2m), respectively. Given that the payment of State Fees for both companies has always been in accordance with the provisions of the Gambling Act and the approved regulations by the Bulgarian Ministry of

Finance, both companies have filed lawsuits against such claims which are pending. The requests for suspension of execution have been rejected. The claimed amounts with regards to the State Fees relate only to each respective company and there is no liability for its shareholders. Taking also into consideration that the Government of Bulgaria has passed legislation that amended the local gambling law, according to which all lottery-type of games, except for KENO type of games, are organized under a State Monopoly and that, as a consequence, three of the six existing licenses held by Eurobet Ltd have been terminated by Law on 21 February 2020, Eurobet Ltd, in order to be protected from its creditors, filed for bankruptcy before the Sofia Court on 6 March 2020; the procedure is pending.

Until 3/6/2020, apart from the legal issues for which a provision has been recognised, the Group Management estimates that the rest of the litigations will be finalized without a material effect on the Group's and the Company's financial position and results.

B. FISCAL YEARS UNAUDITED BY THE TAX AUTHORITIES

I) COMPANY AND SUBSIDIARIES

COMPANY	YEARS	COMPANY	YEARS
INTRALOT S.A.	2014-2019	INTRALOT DO BRAZIL LTDA	2015-2019
BETTING COMPANY S.A.	2014-2019	OLTP LTDA	2015-2019
BETTING CYPRUS LTD	2014-2019	INTRALOT GERMANY GMBH	2018-2019
INTRALOT IBERIA HOLDINGS SA	2015-2019	INTRALOT FINANCE UK LTD	2018-2019
INTRALOT JAMAICA LTD	2010-2019	INTRALOT ASIA PACIFIC LTD	2017-2019
INTRALOT TURKEY A.S.	2015-2019	BETA RIAL Sp.Zoo	2015-2019
INTRALOT DE MEXICO LTD	2015-2019	POLLOT Sp.Zoo	2016-2019
INTRALOT CHILE SPA	2017-2019	NIKANTRO HOLDINGS Co LTD	2014-2019
INTELTEK INTERNET AS	2015-2019	LOTERIA MOLDOVEI S.A.	2014-2019
INTRALOT SERVICES S.A.	2015-2019	INTRALOT BETTING OPERATIONS (CYPRUS) LTD	2014-2019
BILYONER INTERAKTIF HIZMELTER AS GROUP	2018-2019	ROYAL HIGHGATE LTD	2014-2019
INTRALOT MAROC S.A.	2018-2019	INTRALOT LEASING NEDERLAND B.V.	2013-2019
INTRALOT INTERACTIVE S.A.	2014-2019	INTRALOT IRELAND LTD	2015-2019
INTRALOT GLOBAL SECURITIES B.V.	2013-2019	BILOT INVESTMENT LTD	2016-2019
INTRALOT CAPITAL LUXEMBOURG S.A.	2019	INTRALOT GLOBAL OPERATIONS B.V.	2016-2019
INTRALOT FINANCE LUXEMBOURG S.A. ¹	2018	GARDAN LTD	-
INTRALOT GLOBAL HOLDINGS B.V.	2013-2019	GAMEWAY LTD	2016-2019
INTRALOT INC	2016-2019	INTRALOT ITALIAN INVESTMENTS B.V.	2017-2019
DC09 LLC	2016-2019	BIT8 LTD	2014-2019
INTRALOT TECH SINGLE MEMBER SA	2019	INTRALOT ADRIATIC DOO	2015-2019
INTRALOT AUSTRALIA PTY LTD	2015-2019	INTRALOT CYPRUS GLOBAL ASSETS LTD	2014-2019
INTRALOT GAMING SERVICES PTY	2015-2019	INTRALOT OOO	2019
ILOT CAPITAL UK LTD	2018-2019	INTRALOT HOLDINGS INTERNATIONAL LTD	2014-2019
ILOT INVESTMENT UK LTD	2018-2019	INTRALOT INTERNATIONAL LTD	2014-2019
INTRALOT NEDERLAND B.V.	2010-2019	INTRALOT OPERATIONS LTD	2014-2019
INTRALOT BENELUX B.V.	2018-2019	NETMAN SRL	2014-2019
LOTROM S.A.	2014-2019	BILOT EOOD	2014-2019
INTRALOT BEIJING Co LTD	2019	INTRALOT BUSINESS DEVELOPMENT LTD	2014-2019
TECNO ACCION S.A.	2013-2019	GAMING SOLUTIONS INTERNATIONAL SAC	2015-2019
TECNO ACCION SALTA S.A.	2015-2019	ENTERGAMING LTD	-
MALTCO LOTTERIES LTD	2014-2019	INTRALOT BETTING OPERATIONS RUSSIA LTD	2012-2019
INTRALOT NEW ZEALAND LTD	2013 & 2017-2019	INTRALOT DE COLOMBIA (BRANCH)	2014-2019

¹ The Company Intralot Finance Luxembourg S.A. merged with the Company Intralot Capital Luxembourg S.A.

The tax audit at Inteltek Internet AS an audit was notified for the dividend's taxes of 2018. A tax audit for Bilyoner İnteraktif Hizmetler AS for the years 2018-2019 is in progress. In Bilot Investments Ltd has begun an audit for income tax and other taxes for fiscal years 06/2016-31/12/2019 as well as in Bilot EOOD for fiscal years 01/01/2014-31/12/2019. In Lotrom S.A. the audit initiated by the local tax authorities with respect to financial activities for transactions subject to VAT for the period 2004-2014 was completed in the fourth quarter of 2016, but so far the conclusion report has not been yet notified to the company.

In the context of Law 2238/94 Art. 82 par. 5 and POL.1159/2011, the companies Betting Company SA and Intralot Interactive SA have received a tax certificate for the years 2014-2018, Intralot SA for the years 2014-2017 and Intralot Services SA for the years 2015-2018 and 1/1-22/7/2019 when the liquidation process started. In Intralot SA the issuance of a tax certificate for the fiscal year 2018 and 2019 is in progress while in Betting Company SA and Intralot Interactive SA the issuance of a tax certificate for fiscal year 2019 is in progress.

In Intralot SA during the tax audit for the year 2011, were imposed taxes on accounting differences plus surcharges amounting to €3,9 million. The Company lodged an administrative appeal against the relevant control sheets resulting in a reduction of taxes to €3,34 million. The Company filed new appeals to the Greek Administrative Courts which did not justify the Company, which filed an appeal before the Council of State. The Company's management and its legal advisors estimate that there is a significant probability that the appeal will thrive finally for the most part. The Company has formed sufficient provisions and has paid the whole amount of taxes.

Also a tax audit is in process following a mandate (February 2020) for fiscal years 2014 & 2015, as well as a partial VAT audit for the period 1/2/2010-31/10/2012 upon request of assistance from Romanians to the Greek tax authorities on transactions with a Romanian company.

Finally, in Intralot SA, after the completion of tax audit for 2013, as well as partial re-audit of 2011 and 2012, taxes, VAT, fines and surcharges of €15,7 million were imposed. The Company has made a provision of €3,5 million while has filed an appeal against the relevant audit sheets in which refutes the allegations, disputes its views and seeks the annulment of the final determination acts for taxes, VAT, fines and surcharges. The outcome of the above case cannot be assessed to date due to its high degree of uncertainty.

II) ASSOCIATE COMPANIES & JOINT VENTURES

COMPANY	YEARS	COMPANY	YEARS
LOTRICH INFORMATION Co LTD	2019	DOWA LTD	2014-2019
INTRALOT SOUTH AFRICA LTD	2019	KARENIA ENTERPRISES COMPANY LTD	2010-2019
GOREWARD LTD	-	INTRALOT DE PERU SAC	2015 & 2017-2019
GOREWARD INVESTMENTS LTD	-	SERVICIOS TRANSDATA S.A. ¹	2012-2013
PRECIOUS SUCCESS LTD GROUP	2019	EUROFOOTBALL LTD	2014-2019
GAIN ADVANCE GROUP LTD	-	EUROBET LTD	2014-2019
OASIS RICH INTERNATIONAL LTD	-	EUROBET TRADING LTD	2014-2019
WUSHENG COMPUTER TECHNOLOGY (SHANGHAI) CO LTD	2019	ICS S.A.	2014-2019
UNICLIC LTD	2014-2019		

¹ The company Servicios Transdata SA have been merged with Intralot De Peru S.A.C.

At Intralot de Peru SAC a tax audit is in progress for the year 2017. At Servicios Transdata S.A. the income tax audit has been completed in 2014 for the fiscal year 2008 and VAT audit for the period 1/1/2008-30/6/2009 confirming additional taxes and surcharges of €3,4 million. The company has initiated a

complaint procedure according to the relevant legislation for the cancellation of taxes and fines. The company's legal advisers believe that the most likely outcome of the case will be positive.

An audit of income tax and other taxes for the fiscal year 1/1/2014-31/12/2019 has begun at the associate company Eurofootball Ltd. At the same time, in February 2020, the Bulgarian State Gambling Commission (SGC) notified Eurofootball Ltd for a claim of retrospective State Fees amounting to BGN 328,9 million (€168,2 million). Given that the payment of State Fees for above company has always been in accordance with the provisions of the Gambling Act and the approved regulations by the Bulgarian Ministry of Finance, it is deemed that the above claims are unfounded and unjustified and the company appealed before the local Administrative Courts. In order to protect its interests, the company, if required, will exercise all its additional legal rights, including claims for indemnification, before local and / or European and international forums and / or courts. Further information is provided in note [2.21.A](#).

For the associate companies Eurobet Ltd, Eurobet Trading Ltd and ICS SA an audit of income tax and other taxes has already started for the years 1/1/2014-31/12/2019. At the same time, in February 2020, in the Bulgarian State Gambling Commission (SGC) notified Eurobet Ltd for a claim of retrospective State Fees amounting to BGN 74,4 million (€38,0 million). Given that the payment of State Fees of the above company has always been in accordance with the provisions of the Gambling Act and the approved regulations by the Bulgarian Ministry of Finance, the above requirements are unfounded and unjustified and the company has already appealed before the local Administrative Courts. In order to protect its interests, the company, if required, will exercise all its additional legal rights, including claims for indemnification, before local and / or European and international forums and / or courts. Further information is provided in note [2.21.A](#).

C. COMMITMENTS

I) Guarantees

The Company and the Group on March 31, 2020 had the following contingent liabilities from guarantees for:

	GROUP		COMPANY	
	31/3/2020	31/12/2019	31/3/2020	31/12/2019
Bid	28	400	0	280
Performance	136.622	139.295	38.127	44.307
Financing	5.312	5.702	320	320
Other	183	178	0	0
Total	142.145	145.575	38.447	44.907

	GROUP	
	31/3/2020	31/12/2019
Guarantees issued by the parent and subsidiaries:		
-to third party	142.145	145.575
-to third party on behalf of associates	0	0
Total	142.145	145.575

	COMPANY	
	31/3/2020	31/12/2019
Guarantees issued by the parent:		
- to third party on behalf of subsidiaries	36.561	43.011
- to third party on behalf of associates	0	0
- to third party on behalf of the parent	1.886	1.896
Total	38.447	44.907

Beneficiaries of Guarantees:

Bid: State of Victoria Australia

Performance: Arkansas Lottery Commission, Camelot Illinois LLC, Centre Monétique Interbancaire (CMI), City of Torrington, District of Columbia, Georgia Lottery Corporation, GPT Pty Ltd, Hrvatska Lutrija D.O.O., İcra Dairesi Mudurlugu, Idaho State Lottery, La Marocaine des Jeux et des Sports, Loteria do Estado de Minas Gerais, Lotteries Commission of Western Australia, Lotto Hamburg, Louisiana Lottery Commission, Lutrija Bosne i Hercegovine D.O.O., Malta Gaming Authority, Milli Piyango İdaresi Genel Mudurlugu, New Hampshire Lottery Commission, New Mexico Lottery Authority, Polla Chilena de Beneficencia S.A., South Carolina Education Lottery, South Carolina Education Lottery Systems & Other Services, South Dakota Lottery Gaming Services, Spor Toto Teskilat Başkanlığı, State of Montana, State of Ohio - Lottery Gaming System, State of Ohio Lottery Commission, State of Vermont - Vermont Lottery Commission, Stichting Exploitatie Nederlandse Staatsloterij, T.C. Basbakanlık Gençlik ve Spor Genel Mudurlugu Spor Toto Teskilat Başkanlığı, Town of Greybull, Town of Jackson, City of Gillette, Turk Telekomunikasyon, Wyoming Lottery Corporation, OPAP SA.

Financing: Bogazici Kurumlar Vergi Dairesi Mudurlugu, Denizli İcra Mudurlugu, Hanseatische Immobilienfonds GmbH, Airport EL. Venizelos Customs,

Other: Iowa Lottery Authority

II) Other commitments

The Group has contractual obligations for the purchase of telecommunication services for the interconnection of points of sale. The minimum future payments for the remaining contract duration on March 31, 2020 were:

GROUP	31/3/2020	31/12/2019
Within 1 year	2.825	2.877
Between 2 and 5 years	7.002	8.382
Over 5 years	1.122	138
Total	10.949	11.397

2.22 COMPARABLE FIGURES

In the presented data of the previous years, there were limited adjustments/reclassifications for comparability purposes, with no significant impact on "Equity", "Sale Proceeds" and "Profit / (loss) after tax" of the Group and the Company.

2.23 APPLICATION OF IAS 29 "FINANCIAL REPORTING IN HYPERINFLATIONARY ECONOMIES"

The Group operates in Argentina through its two subsidiaries Tecno Accion SA and Tecno Accion Salta SA. Since the third quarter of 2018, the cumulative 3-year inflation index in Argentina has exceeded 100% and the country is now considered as a hyperinflationary economy for accounting purposes under IAS 29. The Group applied, for the first time in the nine months of 2018, IAS 29 and restated to current purchasing power in the financial statements (transactions and non-cash balances) of the above subsidiaries that use ARS as functional currency and present their financial statements at historical cost. The restatement was made using the (IPIM) Internal Index Wholesale Prices and applied pursuant to IAS 29, as if Argentina has always been a hyperinflationary economy.

The result (after the relevant consolidation eliminations) from the restatement of the non-cash assets, liabilities and transactions of the first quarter of 2020 following the application of IAS 29 amounted to a profit of €188 thousand and was recorded in the Income Statement (line "Gain/(loss) on net monetary position").

The conversion FX rates of the financial statements of the above subsidiaries were:

Statement of Financial Position:

	31/3/2020	31/12/2019	Change
EUR / ARS	70,87	67,23	5,41%

Income statement:

	AVG 1/1-31/3/2020	AVG 1/1-31/3/2019	Change
EUR / ARS ¹	70,87	48,61	45,79%

¹ The Income Statement of the first three months of 2020 of the Group's subsidiaries operating in Argentina was converted at the closing rate of 31/3/2020 instead of the Avg. 1/1-31/3/2020 pursuant to IAS 21, paragraph 42a, for hyperinflationary economies.

2.24 SIGNIFICANT FLUCTUATIONS, RECLASSIFICATIONS & REVERSALS

Income Statement

Below are the most significant fluctuations in the Group's Income Statement for the period 1/1- 31/3/2020 compared to 1/1-31/3/2019:

Sale proceeds

Sale proceeds decreased by €90,7 million, or by 47,1%, from €192,7 million in the period 1/1-31/3/2019 to €102,0 million in the period 1/1/-31/3/2020. This decrease was mainly driven by the decreased revenue in the segments "Licensed operations" and "Management contracts". Particularly, Sale proceeds decreased by €71,4 million in Bulgaria (driven mainly by the change in the consolidation method of Eurofootball Ltd since December 2019 - equity method versus full consolidation previously, as well as the termination of gaming licenses of Eurobet Ltd in February 2020), by €11,9 million in Turkey (due to the non-renewed contract of Inteltek Internet AS post August of 2019, the reduced market share of Bilyoner AS and the revised commercial terms, following the transition to the new Sports Betting era in Turkey, as well as the negative FX impact), by €4,9 million in Malta (mainly due to COVID-19 impact from mid-March 2020), by €4,0 million in Morocco (due to the revised commercial terms following the transition to the new contract, as well as the COVID-19 impact in late first quarter 2020), by €1,9 million in Chile (mainly due to the significant Lotto jackpot in first quarter in 2019 and the recent social unrest in the country), and by €1,4 million in Argentina (due to the negative FX impact and the application of IAS 29). At the same time, turnover increased by €5,1 million in the US (mainly due to the full quarter contribution in 2020 of the new contract to Illinois (beginning in mid-February 2019)), one-off revenue recognition in relation to the new project with BCLC in Canada, fully absorbing the Ohio CSP contract impact which expired in June 2019, the late first quarter 2020 Covid-19 impact, and the Powerball jackpot occurrence in first quarter 2019).

Sale Proceeds for the period 1/1-31/3/2020 on a constant currency basis, net of negative FX impact of €6,0 million, amounted to €108,0 million meaning a decrease by 44,0% compared to the period 1/1-31/3/2019.

Gross Profit

Gross profit decreased by €19,6 million, or by 49,3%, from €39,8 million in the period 1/1-31/3/2019 to €20,2 million in the period 1/1/-31/3/2020. This decrease is mainly driven from the decrease in Sale proceeds as analyzed above.

Other Operating Income

Other operating income decreased by €1,2 million, or 24,5%, from €4,9 million in the three months period ended March 31, 2019 to €3,7 million in the three months period ended March 31, 2020. This decrease is mainly due to reduced revenue from rental equipment in the USA, as well as from uncollected winnings and lower revenue of supporting network sales points in Bulgaria and Argentina.

Selling Expenses

Selling expenses decreased by €4,0 million, or 37,0%, from €10,8 million in the three months period ended March 31, 2019 to €6,8 million in the three months period ended March 31, 2020. This decrease was primarily due to higher training costs of the retailers' network for the roll out of the Illinois contract in USA, as well as lower advertising costs in 2020 in Turkey and Bulgaria.

Administrative Expenses

Administrative expenses decreased by €1,4 million, or 7,0%, from €19,9 million in the three months period ended March 31, 2019 to €18,5 million in the three months period ended March 31, 2020. This decrease was primarily due to decreased costs in Turkey and Bulgaria.

Other operating expenses

Other operating expenses decreased by €0,1 million, from €0,6 million in the period 1/1-31/3/2019 to €0,5 million in the period 1/1-31/3/2020. This decrease is mainly due to lower provisions for doubtful receivables, as well as higher contractual penalties in 2020.

EBITDA

EBITDA decreased by €16,0 million, or by 50,3%, from €31,8 million in the period 1/1-31/3/2019 to €15,8 million in the period 1/1-31/3/2020. This decrease is mainly driven by the decrease in Sale proceeds and the decrease in Gross Profit as analyzed above.

EBITDA for the period 1/1-31/3/2020 on a constant currency basis, net of negative FX impact of €1,1 million, amounted to €16,9 million meaning a decrease by 46,8% compared to the period 1/1-31/3/2019.

Income/(expenses) from participations and investments

Income/(expenses) from participations and investments increased by €0,2 million, from €0,0 million in the period 1/1-31/3/2019 to €0,2 million in the period 1/1-31/3/2020. This increase is mainly due to the increased revenue from dividends by €1,1 million in 2020, which was partially offset by the increased losses from the sale of stocks and securities in 2020 of €0,9 million (mainly due to the loss of €0,6 million from the loss of control of the Eurobet Ltd Group).

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

Gain / (losses) from assets disposal, impairment loss and write-off of assets improved by €2,4 million, from loss €2,3 million in the period 1/1-31/3/2019 to gain €0,1 million in the period 1/1-31/3/2020. This improvement is mainly driven by the increased impairment provisions of assets in 2019, mainly due to the impairment provision of goodwill in subsidiaries. Further analysis is provided to note [2.10](#).

Interest and Similar Expenses

Interest and similar expenses decreased by €0,5 million, or 3,8%, from €13,2 million in the three months period ended March 31, 2019 to €12,7 million in the three months period ended March 31, 2020. This decrease was primarily due to the repayment/ cancellation of Intralot Finance UK Ltd loan agreements in middle 2019.

Interest and Related Income

Interest and related income decreased by €1,5 million, or 68,2% from €2,2 million in the three months period ended March 31, 2019 to €0,7 million in the three months period ended March 31, 2020, primarily due to lower interest income on bank deposits and trade receivables.

Exchange Differences

The account "Exchange Differences" in the period 1/1-31/3/2020 of €460 thousand mainly refers to losses of approximately €482 thousand from valuation of cash balances in foreign currency other than the functional currency of each entity, gain of approximately €22 thousand from valuation of commercial and borrowing liabilities (intercompany and non) in EUR that various subsidiaries abroad had as at 31/3/2020, with a different functional currency than the Group.

Profit / (loss) from equity method consolidations

Losses from equity method consolidations decreased by €0,7 million from €0,9 million in the period 1/1-31/3/2019 to €0,2 million in the period 1/1-31/3/2020. This is mainly driven by the bigger losses of the Group's associates in Asia.

Taxes

Taxes in the period 1/1-31/3/2020 amounted to €2,0 million, versus €5,9 million in the period 1/1-31/3/2019. This decrease was primarily due to lower burden in 2020 from the current income tax (mainly due to lower taxable incomes in Turkey).

Further analysis for the accounts Group Income Statement for the period 1/1-31/3/2020 compared to 1/1-31/3/2019 is provided in the ANNUAL Group Management report ("INTRALOT Group MANAGEMENT'S DISCUSSION & ANALYSIS") that has been posted in the website www.intralot.com.

Statement of Financial Position

No significant reclassifications were made to the Group's statement of financial position as of 31/3/2020 compared to the 31/12/2019.

2.25 CORONAVIRUS PANDEMIC (COVID-19) IMPACT

The COVID-19 pandemic continues to affect 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 late May 2020 H2GC data, the current outlook for the gaming business has worsened when compared to H2GC mid-April outlook. Gaming industry global GGR for 2020 is expected to fall between 2011 and 2012 levels, i.e. around \$370 billion, approximately 22% 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.

By evaluating the latest available May 2020 data and known lockdown conditions per jurisdiction and the slow restart of sporting events, the Company's best estimate impact for 2020 remains in the vicinity of €25m at Group's EBITDA level.

Optimism, in terms of impact, rests in the fact that restrictions in various markets have been lifted earlier than initially expected and the top line impact in many cases is lower than previously forecasted. For example, in the US, 3-month data show a high degree of resilience of our operations, and in Malta and Morocco the lockdown was lifted on early May and early June respectively, in both cases earlier than anticipated. In Australia, however impact assumptions are confirmed until now as well as for other jurisdictions. We are still monitoring and assessing the situation focusing, besides restrictions lift, on activity pickup curves.

The health and safety of our team remains our top priority. 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.

2.26 SUBSEQUENT EVENTS

In May 2020, INTRALOT Group has successfully enabled the launch of eSports betting for its partner Intralot de Peru, supporting the leading lottery operator in Peru to enhance its sportsbook and offer an elevated player entertainment through content within one of the fastest growing segment of the online game market. The eSports games are offered in cooperation with Sportradar and include Counter Strike, League of Legends, Dota2, Star Craft II, Call of Duty and Overwatch. In addition, the offering includes Electronic Leagues of Fifa20 and NBA2K. Additional games will be introduced to the Intralot de Peru's portfolio in order to further engage the current player community and attract new players.

In May 2020, INTRALOT announced the launch of "Sports Bet Montana" in the US State of Montana. The Montana Lottery has been working toward launching sports betting since last May, when a bill bringing sports wagering to Montana and placing it with the Lottery was passed into law. The Lottery started accepting applications for locations to obtain sports wagering licenses in late 2019 while it was working on placing the regulatory framework and games rules that ensure responsible play in conjunction with a competitive content. INTRALOT deployed in Montana its new INTRALOT Orion sports betting platform to enable the Montana Lottery's sports wagering self-service terminals and mobile sports wagering offering. In addition, INTRALOT provides to the Montana Lottery a complete suite of services, such as Managed Trading and Marketing Services (MTMS) and Customer Support (CS).

At early June 2020, INTRALOT and its U.S. subsidiary Intralot Inc, announced the launch of its Digital Sports Betting solution in Washington, DC and congratulated the District of Columbia Office of Lottery and Gaming (DC Lottery) on the introduction. GambetDC, the world class sports betting platform powered by the DC Lottery, went live with a soft launch on May 28, 2020. The new sports betting experience offers responsible entertainment, while generating revenue supporting public programs, services, and initiatives

that benefit the residents and the economic vitality of the District of Columbia. INTRALOT, as part of its current contract with the DC Lottery, deployed its new INTRALOT Orion sports betting platform to enable the GambetDC mobile and desktop sports betting offering. In addition to the technology, INTRALOT provides the DC Lottery with a complete suite of supporting sports betting services, such as Managed Trading Services (MTS), Marketing Services (MS), and Customer Support (CS). The GambetDC website is available to the general public with this initial soft launch release. The native iOS and Android apps will be deployed in the coming weeks. Upon full deployment, the GambetDC platform will be available via native application download on both iOS and Android as well as accessible via desktop and will allow players to place their wagers quickly and with ease. GambetDC players have access to a wide assortment of betting markets as well as different wager options including single-game, parlay, in-game and proposition bets. Moreover, GambetDC is widely available throughout the District to players aged 18 or older, except for the federal enclaves that fall within the area defined under the Shipstead-Luce Act and within the 2-block zones surrounding the District's four major sports arenas. INTRALOT will also deploy a retail Sports Betting program in 2021.

Maroussi, June 4, 2020

THE CHAIRMAN OF THE BOD

**THE CHIEF EXECUTIVE OFFICER AND
MEMBER OF THE BOD**

**S.P. KOKKALIS
ID. No. AI 091040**

**C.K. DIMITRIADIS
ID. No. X 065189**

THE GROUP CFO

THE GROUP ACCOUNTING DIRECTOR

**A. A. CHRYSOS
ID No. AK 544280**

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