



Financial Statements and Supervisory and Auditors Committee's Report.

TECNO ACCION SALTA S.A.

December 31st, 2017 and 2016.



ANNUAL REPORT

To the Shareholders of

TECNO ACCIÓN SALTA S.A.:

In compliance with statutory rules and bylaws in force, we hereby submit the Annual Report and the Financial Statements for the fiscal year ended December 31, 2017.

Corporate Profile.

The main activity of Tecno Acción Salta S.A. is the management and marketing of the lottery games in the Province of Salta.

Based on the Decree 1502/2013 issued by the Executive Power of Salta on May 29th 2014, the company Tecno Acción S.A. obtained the exclusive license for the operation of lottery games in said Province. On February 10th 2015 the Ordinary and Extraordinary General Assembly of Tecno Acción S.A. approved:

- (i) The excision of the business unit corresponding to the transactions of lottery games of the Province of Salta with Equity Effect as of 01/01/2015, and:
- (ii) The creation of Tecno Acción Salta S.A which as a consequence of the above mentioned excision begun the operation of lottery games in Salta.

Company's Economic Group.

As of December 31st 2017, the Company's shareholders and their respective equity interests in its capital stock and votes are as follows: Intralot Global Holdings B.V. 50.00001%, Correón S.A. 12.50%, Compañía Gerenciadora de Inversiones S.A. 9.99999%, Da Silvano S.A. 2.50% and InverClub S.A. 25.00%.

Corporate Policy.

The main purpose of Tecno Acción Salta S.A., during the fiscal year, was focused on consolidating the locally management of the business.

The company maintained the same strategy developed in previous fiscal year in order to position the trademark Lotería de Salta.

Relevant Events of the Fiscal Year.

Below, we mention the most significant achievements of the year under consideration:

During 2017, we made 1.233 successful proper draws in compliance with all the procedures and terms determined by the Regulatory Body (ENREJA) and the Financial Intelligence Unit (UIF). Also it should be noted that we had 128 more than previous fiscal year.

From the commercial perspective we made promotion campaigns and marketing to increase customers and obtain greater benefits. We highlight two important campaigns, the first one dedicated to the game Tombo Express which increased the collection of the game and also increased the average amount played coupon. During October we start the campaign aimed at transferring Tombola bets to the extracts of Buenos Aires and City of Buenos Aires (ex national) and increase the collection of the game.

With the aim of increasing our public we started to broadcasting the draws through a broadcaster which reaches 132 locations in Salta, maintaining the former medias also with us.

Over 2107 we continue adhering the point of sales to the plan of image improvement, with the aim of finalizing during 2018.

Based on the actions developed during this period, Tecno Acción Salta S.A. would be able to carry on new purposes during next fiscal year aimed at the growth of the Company.

Strategy and Prospects for the Fiscal Year 2018.

During fiscal year 2018, we will continue working on increasing the profitability and sales in compliance with the procedures and terms of the Regulatory Body and Control Body.

On the other hand, we will continue with the renewal of the image of the sales network which begun in previous fiscal year.

In addition, we want to incorporate all the know how of our company and of Intralot in order to offer new products and services which improve the performance of the activity.

Summary.

Equity Structure compared with the previous fiscal year.

	12/31/2017	12/31/2016
Current Assets	66.855.378	68.419.428
Non-current Assets	4.312.208	3.794.631
Total	71.167.586	72.214.059
Current Liabilities	32.693.951	36.769.200
Non-current Liabilities	1.684.457	191.649
Total	34.378.408	36.960.849
Shareholder's Equity	36.789.178	35.253.210
Total	71.167.586	72.214.059

Income Structure as compared to the previous fiscal year.

	12/31/2017	12/31/2016
Ordinary Operating Income	47.865.857	44.947.958
Financial and Holding Income	3.000.978	3.665.212
Other net income and expenses	134.012	14.414
Ordinary net Profit	51.000.847	48.627.584
Income tax	(17.858.755)	(17.021.460)
Net income	33.142.092	31.606.124

Structure of generation or use of funds compared with the previous fiscal year.

	12/31/2017	12/31/2016
Funds generated by operating activities	46.270.845	17.484.805
Funds applied to investment activities	(2.101.973)	(3.101.405)

Funds applied to financing activities	(31.606.124)	(11.785.388)
Total funds generated during the fiscal year	12.562.748	2.598.012

The main financial ratios of the Company as of December 31, 2017 presented in comparison with the previous fiscal year are featured below:

		12/31/2017	12/31/2016
Solvency	Assets / Liabilities	2.07	1.95
Indebtedness	Liabilities / (liabilities + shareholders' equity)	0.48	0.51
Current Liquidity	Current Assets / Current Liabilities	2.04	1.86
Immediate Liquidity	Cash and Banks / Current Liabilities	1.24	0.83
Equity ratio	Shareholders' equity / Assets	0.52	0.49
Fixed assets ratio	Non-current Assets / assets	0.06	0.05
Financial Leverage	Liabilities / Assets	0.48	0.51
Assets turnover ratio	Gross income / Assets	1.30	1.14

We want to thank especially our shareholders, customers and other suppliers for ratifying their trust in our Company and to our personnel for their efforts and devotion evidenced in the course of this year.

City of Salta, March 5th 2018.

THE BOARD OF DIRECTORS.

TECNO ACCION SALTA S.A.

Legal domicile: España 696.

City of Salta, Province of Salta. Argentine Republic.

FISCAL YEAR No. 3.

INITIATED ON JANUARY 1st 2017.

FINANCIAL STATEMENTS AS OF DECEMBER 31st 2017

PRESENTED IN COMPARISON WITH PREVIOUS YEAR.

Main activity of the company: provision of all kind of goods, procedures and services on the IT field, electronic communications, gambling, entertaining games, educational games and other hi tech products, interest products, for government or private bodies, national or foreign, operation and commercialization of gambling, entertaining games and educational games, operation and/or administration of all kind of existing or future entertainment through internet, local or remote communication, radial, television, graphic networks or future media, operation and commercialization of software and hardware, own or third parties, related to gambling, bets, entertaining and educational games among other activities.

C.U.I.T.: 30-71487419-1

Date of entry in the Public Trade Registry:

-Social contract: April 27th 2015.

-Last modification of the Statute: August 11th 2015.

Registration number in the Public Trade Registry: 31546/15.

Compliance date of the social term: December 15th, 2114.

Designation of the holding company: Intralot Global Holdings B.V.

Legal domicile of the holding company: Nachtwachtlaan 20-24, 1058 EA Amsterdam, Netherlands. Main activity of the holding company: Investor.

Shares of the holding company on net equity: 50.00001% (Note 7).

Percentage of votes of the holding company: 50.00001%.

COMPOSITION OF SHARE CAPITAL (note 6).

<u>Number of shares</u>	<u>Type of shares</u>	Number of votes for each one:	<u>Subscribed, issued, integrated and registered:</u>
3.039.238	Nominal value \$1 each one	1	3.039.238
3.039.238			3.039.238

TECNO ACCION SALTA S.A.

Balance sheet as of December 31st 2017 compared with previous fiscal year.

(numbers expressed in pesos according to Note 2.2)

ASSETS	12/31/2017	12/31/2016
CURRENT ASSETS		
Cash and Banks (note 4.a)	40.510.839	30.561.257
Transitory Investments (note 4.b)	8.558.460	5.945.294
Trade Receivables (note 4.c)	9.859.059	5.152.935
Other credits (Note 4.d)	7.927.020	26.759.942
Current assets Total	66.855.378	68.419.428
NON-CURRENT ASSETS		
Other credits (note 4.d)	1.671.633	196.100
Fixed assets (annex I)	2.597.983	3.505.687
Intangibles assets (Annex II)	42.592	92.844
Non-current Assets TOTAL	4.312.208	3.794.631
TOTAL ASSETS	71.167.586	72.214.059

LIABILITIES	12/31/2017	12/31/2016
CURRENT LIABILITIES		
Accounts payable (note 4.e)	16.917.175	13.280.902
Remunerations and social securities (note 4.f)	8.333.799	7.938.597
Tax charges (Note 4.g)	7.442.977	15.549.701

Current Liabilities TOTAL	32.693.951	36.769.200
NON-CURRENT LIABILITIES		
Tax charges	1.684.457	191.649
Non-current liabilities TOTAL	1.684.457	191.649
TOTAL LIABILITIES	34.378.408	36.960.849

NET EQUITY	12/31/2017	12/31/2016
According to respective status	36.789.178	35.253.210
TOTAL Liabilities and Net Equity	71.167.586	72.214.059

Notes 1 to 9 and complementary statements (annex I to IV) which are annexed are integral part of this statement.

TECNO ACCION SALTA S.A.

Income statement

for the fiscal year ended December 31st 2017

compared with previous fiscal year.

(numbers expressed in pesos according Note 2.2)

	12/31/2017	12/31/2016
Income for services and operation (note 4.h)	1.239.804.589	962.760.525
Costs of operation (annex IV)	(938.746.334)	(718.572.229)
Gross profit	301.058.255	244.188.296
Marketing costs (annex IV)	(219.127.303)	(170.346.865)
Administrative costs (annex IV)	(34.065.095)	(28.893.473)
Net financial and holding results (note 4.i)	3.000.978	3.665.212
Other net incomes and expenses (note 4.j)	134.012	14.414
Net profit before income tax	51.000.847	48.627.584
Income Tax (note 3)	(17.858.755)	(17.021.460)
Net profit for the year	33.142.092	31.606.124

Notes 1 to 9 and complementary statements (annex I to IV) which are annexed are integral part of this statement.

TECNO ACCION SALTA S.A.

**Statements of changes in Net Equity
for the fiscal year ended December 31st 20167
compared with previous fiscal year.**

(numbers expressed in pesos according Note 2.2).

Concept	Owners Contribution		Accumulated Results			Total at 12/31/20	Total at 12/31/2016
	Subscribed Capital	Total	Legal Reserve	Non-assigned Results	Total		
Balance at the beginning of the year	3.039.238	3.039.238	607.848	31.606.124	32.213.972	35.253.210	15.432.474
Distribution of dividends (1)				(31.606.124)	(31.606.124)	(31.606.124)	(11.785.388)
Net income fot the year				33.142.092	33.142.092	33.142.092	31.606.124
Balance at the end of the year	3.039.238	3.039.238	607.848	33.142.092	33.749.940	36.789.178	35.253.210

(1) Determined by Ordinary General Assembly of February 3rd 2016.

Notes 1 to 9 and complementary statements (annex I to IV) which are annexed are integral part of this statement.

TECNO ACCION SALTA S.A.

Cash flow Statement

for the fiscal year ended December 31st 2017

compared with previous year.

(numbers expressed in pesos according Note 2.2).

	12/31/2016	12/31/2015
<u>Changes in cash (1)</u>		
Cash at beginning of year	36.506.551	33.908.539
Cash at end of year	49.069.299	36.506.551
Net Increase in cash	12.562.748	2.598.012
<u>Reasons of changes in cash. Operational activities.</u>		
Net income for the year	33.142.092	31.606.124
Income Tax accrued in the year	17.858.755	17.021.460
<u>Adjustments to reach net cash flow from operating activities</u>		
Depreciation of fixed assets	1.122.359	1.267.458
Amortization of intangibles assets	53.454	63.299
Retirement of fixed assets	1.884.116	1.510.139
Net accrued interests and exchange rate differences	(1.333.758)	(1.997.356)
<u>Changes in operating assets and liabilities</u>		
Increase of trade receivables	(4.706.124)	(2.176.814)
Decrease (Increase) of other credits	18.337.748	(24.328.215)
Increase in accounts payable	3.989.672	2.235.351
Increase in remunerations and social securities	395.202	3.036.621
Decrease in tax charges	(48.452.834)	(21.785.349)

Payment of Income Tax	23.980.163	11.032.087
Net cash flow from operating activities	46.270.845	17.484.805

<u>Investment Activities</u>		
Payment for purchases of fixed assets	(2.098.771)	(3.084.376)
Registration of intangible assets	(3.202)	(57.565)
Collection of money of fixed assets' sales		40.536
Net cash flow used in investment activities	(2.101.973)	(3.101.405)
<u>Financing Activities</u>		
Dividend payment	(31.606.124)	(11.785.388)
Net cash flow used in financing activities	(31.606.124)	(11.785.388)
Increase in net cash	12.562.748	2.598.012

(1) Cash concept is composed by Cash and Banks and Transitory Investments with expiration date less than 90 days.

Notes 1 to 9 and complementary statements (annex I to IV) which are annexed are integral part of this statement.

TECNO ACCION SALTA S.A.

Note to the Financial Statements

as of December 31st 20167

compared with previous year

(numbers expressed in pesos according Note 2.2).

Note 1. Company's Activity.

The main activity of the Company is the operation and exploitation of the lottery games in the Province of Salta.

On November 20th 2013, the company Tecno Accion S.A. (the parent company) had obtained a six-month transitory license for the operation of lottery games in the province of Salta with the perspective of obtaining said license for 10 years.

On May 29th 2014, according to the Decree 1502/2013 issued by the Provincial Executive Power, Tecno Accion S.A. obtained the exclusive license for the operation of lottery for 10 years, with the possibility of obtaining an extension.

On January 12th 2015 the Board of Directors of the parent company approved the excision of the business unit corresponding to the operation of lottery games in the province of Salta so that the new business unit would be exploited by the new limited company called Tecno Accion Salta S.A. starting from January 1st 2015.

Note 2. Basis of presentation of financial statements.

Nota 2.1. Professional Accounting Standards.

The financial statements of the Company have been prepared according to the Argentine existing professional accounting standards in the City of Salta, Province of Salta, Argentine Republic, inasmuch as said standards have been accepted by the General Legal Entities Inspectorate of Salta.

The expression Argentine existing professional accounting standards in the City of Salta refers to the accounting standards issued by the Argentine Federation of Professional Councils in Economic Sciences (F.A.C.P.C.E) and approved by the Professional Council in economic sciences of the City of Salta (C.P.C.E. prov. of Salta), with the

exemption of the standards included in Technical Resolution (R.T.) No. 26 “Adoption of the International Financial Reporting Standards of the International Accounting Standards Board and the International Financial Reporting Standard for Small and Medium-sized Entities”, R.T. No. 41 “Aspects of recognition and measuring for small entities” and R.T. No 42 “Aspects of recognition and measuring for medium-sized entities”.

Note 2.2. Consideration of the effects of inflation.

The financial statements have been prepared in nominal currency in accordance with the provisions of Decree P.E.N. No. 664/03 and consequently provided by the General Legal Entities Inspectorate of Salta.

From R.T. No 39 adopted by the C.P.C.E Prov. of Salta the need to restate the financial statements to reflect the changes in the purchasing power of local currency is indicated by the existence or not of a context of such inflation which qualifies the economy as highly inflationary. With the aim of identifying the existence of a highly-inflationary economy, the R.T. 39 and its complementary technical standards offer a quantitative guideline which is necessary condition to restate the numbers of the financial statements. Said guideline express that the accumulated inflation rate in three years, taking into account the internal wholesale price index (I.P.I.M) prepared by the National Institute of statistics and census (I.N.D.E.C), reaches or exceeds 100%. The Standard also provides a series of qualitative guidelines which would be useful to determine if it corresponds to restate said in a scenario in which there is a prolonged absence of official price index. At the closing date of said financial statements, the guidelines to adjust for inflation as required by accounting standards has not been verified.

Therefore, the non-application of the re-expression mechanisms of the numbers to reflect changes in the purchasing power of local currency due to the discontinuance of such as indicated in this note, using local currency as uniform currency, is consistent with accounting standards since the validity of R.T No. 39 and its standards. However, the existence of significant variations such as those in the last fiscal years in the prices of the relevant variables of the economy which impact the company’s business, such as wage costs, prices of main raw materials and exchange rate, even when it does not reach levels that force to implement abovementioned adjustments, equally affect its property status and statements and thereby the information given in these financial statements, so that said variations should be taking into account in the interpretation of the property status, result of operations and cash flows of the company.

Nota 2.3. Criterion of accounting measurements.

Main criterion of measurements used for the preparation of the financial statements are as follows:

a) Cash and banks.

National currency: nominal value.

Foreign currency: translated at the exchange rate prevailing at each year-end for the settlements of transactions. The exchange rate differences were charged to the results of each fiscal year. See Annex III.

b) Transitory Investments.

Bonds: have been valued at their market value at the end of the period, less the estimated marketing costs.

c) Credits and debts (except deferred tax):

At current value of the cash flows which will be generated, discounted to each year-end, using implied, explicit or market rates, as appropriate, valid at the time of each transaction, as long as the effects were significant.

This credits and debts include, where applicable, the accrued portion of the relevant financial results until the end of each fiscal year. The implicit financial components have been separated from the corresponding equity balance, when they were significant.

Credits and debts in foreign currency were translated at the exchange rate prevailing at each year-end for the settlements of transactions. The exchange rate differences were charged to the results of each fiscal year. See Annex III.

Liabilities due to labor costs accrue in the fiscal year in which employees have provide services that cause such considerations.

d) Fixed Assets:

These have been valued at their acquisition costs restated in constant currency according to Note 2.2., less the corresponding accrued depreciations, calculated in proportion to the assigned useful life.

Depreciations were calculated using the straight line method, and applying sufficient monthly rates to extinguish the values of assets at the end of its estimated useful life.

The board of directors of the Company review the residual accounting value of fixed assets with the objective of verifying if said assets have suffered some devaluation, when there are facts or changes in circumstances that indicate that the registered value of such may not be recoverable. If there is some indication and the values of books exceed the estimated recoverable amount, said assets shall be reduced to the limit of their recoverable value. The recoverable amount for fixed assets is equivalent to the net realization value or value in use, whichever is higher. The residual value of fixed assets, net of the allowance for obsolescence does not exceed its recoverable value.

e) Intangibles Assets:

Software license: Have been valued at their restated acquisition cost, if appropriate, according to Note 2.2., net of the related accumulated depreciation at each year end.

f) Net equity accounts:

Balances are expressed in it nominal value.

g) Income statements accounts:

Incomes and costs generated by the operation of lottery games are charged to the results according to their accrual, based on the month in which the draws are made.

The accounts that accumulate monetary transactions performed along each fiscal year are expressed in their nominal value.

Charges due to consumptions of non-monetary assets were calculated according to adjusted amounts of said assets, in accordance with Note 2.2.

Under the name "Financial and holding results, net", exchange rate differences and interests generated by assets in foreign currency are included, jointly with the remaining financial incomes and expenses.

h) Deferred tax:

It is registered at its nominal value

i) Income tax and minimum notional income tax:

The company determines the Income tax payable applying a 35% current rate to taxable income estimated for each fiscal year. According to the current accounting standards, the Company determines the charge for the Income tax by the method of deferred tax which consist in the recognition (as credit or debt) of the tax effect of temporary differences between accounting and tax valuation of assets and liabilities, determining the current rate of 35% established by Law, and its subsequent allocation to the results of the years in which the reversion is made. When accumulated tax loss exists likely to reduce future taxable profits, or the deferred tax resulting from temporary differences is an asset, said credits are recognized to the extent that the board of directors of the Company believe its use is probable. In Note 3. to this financial statements, a detail of the evolution and composition of accounts of Income Tax and Deferred Tax is exposed.

Minimum notional income tax is complementary to Income tax since while the latter taxes the taxable income of each fiscal year, minimum notional income tax constitutes a minimum taxation that taxes the potential income of certain assets productive at the end of the fiscal year, at the rate of 1%, so that tax liability of the Company match with the higher of both taxes. However, if the minimum notional income tax exceeds the Income Tax inn a fiscal year, said excess could be counted as payment on account of any surplus of Income Tax on the Minimum notional income tax which could appear in any of the following ten fiscal years.

As of December 31st 2017 and 2016, the estimated amount for Income Tax was higher than the Minimum notional income tax and increased to \$16.365.947 and \$17.046.324 respectively and was allocated in the Income Statements as "Income Tax".

Note 2.4. Comparative Information.

According to T.R. No. 8 of the F.A.C.P.C.E. regarding “General rules of accounting exposure”, the Company presents the information compared with previous fiscal year. During the issuance of this financial statement, not significant reclassifications have been made in the exposure of different items. Financial statements, which are shown as comparative, of December 31st 2016 were modified to incorporate the effect of the changes mentioned above.

Note 3. Income tax and Deferred Tax. The composition of “Income Tax” determined according to Technical Resolution No. 17 of the F.A.C.P.C.E. which is exposed in the financial statements of December 31st 2017 and 2016 is as follows:

	12/31/2017	12/31/2016
Income Tax	(16.365.947)	(17.046.324)
Deferred tax created by temporary differences	(1.492.808)	24.864
Income Tax Total	(17.858.755)	(17.021.460)

The conciliation between the Income Tax charged to the results and the one which would result from applying the result of each fiscal year before the corresponding income tax is as follows:

	12/31/2017	12/31/2016
Income tax calculated at the current rate on the accounting result before taxes	(17.850.296)	(17.019.654)
Permanent differences	(8.459)	(1.806)
	(17.858.755)	(17.021.460)

As of December 31st 2017 and 2016, the composition of assets and liabilities due to Deferred Tax at the end of each fiscal year is as follows:

Deferred tax liability, net	12/31/2016	12/31/2015
Fixed assets	(171.883)	(157.710)
Other credits and diverse	(1.510.574)	(32.686)
Various	(2.000)	(1.249)

Total	(1.684.457)	(191.649)
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Note 4. Detail of main headings.

The composition of the main headings of this balance sheet and the financial statement at the end of each fiscal year is as follows:

4.a <u>Cash and banks</u>	12/31/2017	12/31/2016
Cash in national currency	969.734	314.947
Cash in foreign currency (annex III)	1.434.355	884.340
Banks in national currency	38.106.750	29.361.970
Total	40.510.839	30.561.257

4.b <u>Transitory investments</u>	12/31/2017	12/31/2016
Securities and bonds	8.558.460	5.945.294
Total	8.558.460	5.945.294

4.c <u>Trade receivables</u>	12/31/2017	12/31/2016
Trade debtors	9.859.059	5.152.935
Total	9.859.059	5.152.935

4.d <u>Other credits</u>	12/31/2017	12/31/2016
Current		
Balances with related parties (note 7)	4.269.077	26.340.489
Expenses paid in advance	3.471.459	269.467
Various	186.484	149.986
Total	7.927.020	26.759.942
Non-current		

Expenses paid in advance	1.521.185	181.470
Rents paid in advance	22.515	
Security deposits	127.933	14.630
Total	1.671.633	196.100

<u>4.e Accounts payable</u>	12/31/2017	12/31/2016
Provision for costs	7.928.083	7.359.419
Suppliers in national currency	3.203.321	2.667.335
Suppliers in foreign currency (annex III)		3.202
Games' issuing bodies	4.224.612	1.826.681
Prizes payable	1.561.159	1.424.265
Total	16.917.175	13.280.902

<u>4.f. Remunerations and social charges:</u>	12/31/2017	12/31/2016
Salaries to be paid	2.187.646	1.965.375
Social charges	1.835.019	1.782.461
Provision for vacations	3.691.134	4.190.761
Provision	620.000	
Total	8.333.799	7.938.597

<u>4.g Tax charges:</u>	12/31/2017	12/31/2016
Provision for Income tax	2.869.921	11.452.493
Value – added tax	141.280	
Various	4.431.776	4.097.208
Total	7.442.977	15.549.701
Non-current		
Net liability for deferred tax (note 3)	1.684.457	191.649
Total	1.684.457	191.649

	Gain / (loss)	
<u>4.h Service and operating revenues</u>	12/31/2017	12/31/2016

For the operation of proper and third parties games	1.231.579.142	956.084.372
Provision of services	8.225.447	6.676.153
Total	1.239.804.589	962.760.525

	Gain / (loss)	
<u>4.i Net financial and holding results</u>	12/31/2017	12/31/2016
Interest earnings	992.548	1.577.976
Lost interests	(12.189)	(43.299)
Exchange rate difference	353.399	462.679
Results sale of bonds	1.667.220	1.672.428
Various		(4.572)
Total	3.000.978	3.665.212

<u>4.j Other net incomes and expenses</u>	12/31/2017	12/31/2016
Results of sale of fixed assets	(45.620)	40.536
Various	179.632	(26.122)
Total	134.012	14.414

Note 5. Expiry dates and interest rates of credits, debts and provisions.

a. Classification of credits, debts and provisions balances in the following categories:

Credits. <u>Overdue.</u>	12/31/2017	12/31/2016
From 0 to 3 months	834.315	10.997.589
From 3 to 6 months	125.448	1.155
From 6 to 9 months	31.287	1.155
From 9 to 12 months		1.155
Total	991.050	11.001.054

Credits. <u>About to expire.</u>	12/31/2017	12/31/2016
From 0 to 3 months	9.278.926	5.357.388

From 3 to 6 months	5.859.371	15.496.417
From 6 to 9 months	857.247	34.812
From 9 to 12 months	799.485	23.206
More than 12 months	1.671.633	196.100
Total	18.466.662	21.107.923

Total credits	19.457.712	32.108.977
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Debts and provisions: <u>Overdue</u>	12/31/2017	12/31/2016
From 0 to 3 months	4.043.322	1.843.247
<u>Total</u>	4.043.322	1.843.247

Debts and provisions. <u>About to expire</u>	12/31/2017	12/31/2016
From 0 to 3 months	28.650.629	34.925.953
More than 12 months	1.684.457	191.649
	30.335.086	35.117.602
<u>Total debts and provisions</u>	34.378.408	36.960.849

Credits	12/31/2017	12/31/2016
Accrual of interests	4.269.077	26.340.489
Interests free	15.188.635	5.768.488
	19.457.712	32.108.977
Annual interest rate	18%	18%

Debts and provisions	12/31/2017	12/31/2016
Accrual of interests	34.378.408	36.960.849
Interests free		
	34.378.408	36.960.849

Note 6. Share Capital.

As of December 31st 2017, share capital of the Company increased to \$3.039.238. Said share capital is subscribed, issued and registered in the Public Registry of Commerce.

Note 7. Related parties.

As of December 31st 2017, the Company's shareholders and their participation in share capital and their votes are as follows: Intralot Global Holdings B.V. 50.00001%, Inverclub S.A. 25.00%, Correon S.A. 12.50%, Compañía Gerenciadora de Inversiones S.A. 9.99999% and Da Silvano S.A. 2.50%.

a) At the end of each fiscal year, asset balances with related parties are as follows

<u>Other Credits</u>	12/31/2017	12/31/2016
Intralot Global Holdings BV		68.972
Compañía Gerenciadora de Inversiones S.A.:		3.080.137
Da Silvano S.A		770.034
Correon S.A		3.850.171
Inverclub S.A		7.700.342
Tecno Acción S.A.	4.269.077	10.870.833
	4.269.077	26.340.489

b) Transactions with related parties by the fiscal year ended December 31st 2017 and 2016 are as follows:

	Gain / (loss)	
Interest earnings	12/31/2017	12/31/2016
Tecno Acción S.A.	637.079	1.177.291
Cia. Gerenciadora de Inversiones S.A.	71.093	80.137
Da Silvano S.A.	17.775	20.034
Correon S.A.	88.867	100.172
Inverclub S.A.	177.734	200.342
Total	992.548	1.577.976

	Gain / (loss)	
Expenses due to services	12/31/2017	12/31/2016
Tecno Acción S.A.	(1.900.800)	(1.584.000)
TOTAL	(1.900.800)	(1.584.000)

Other earnings	12/31/2017	12/31/2016
Tecno Acción S.A.		40.536
TOTAL		40.536

Note 8. Restrictions on unallocated results

According to the Business Company Law and Social Status, a legal reserve which reaches 20% of the share capital shall be maintained.

Note 9. Events subsequent to the closure date.

There are no events or transactions between the closure date of fiscal year and the issuance of the financial statement which can modify significantly the property and financial situation of the Company as of December 31st 2017, nor the result of the fiscal year ended in that date.

Composition and Evolution of the Fixed Assets for the fiscal year ended December 31st 2017 compared with previous fiscal year

(numbers expressed in pesos according Note 2.2)

Annex I

Main Account	Original Cost				Accumulated Depreciation				Net resulting	
	At the beginning of fiscal year	Increases	cancellations	At the end of fiscal year	At the beginning of fiscal year	fiscal year	cancellations	At the end of fiscal year	Total as of 12/31/2017	Total as of 12/31/2016
Lottery Machine	1.215.365			1.215.365	1.020.545	55.722		1.076.267	139.098	194.82
Lottery Equipment and operating system	3.317.681	278.599	29.209	3.567.071	1.739.612	630.755	9.151	2.361.216	1.205.855	1.578.069
Furniture and supplies	1.085.485	15.321	135.580	965.226	478.881	196.287	52.371	622.797	342.429	606.604
Vehicles	397.562			397.562	251.254	79.513		330.767	66.795	146.308
Materials and spare parts	352.897	1.804.851	1.780.849	376.899					376.899	352.897
Materials in transit										
improvements in third parties properties	782.388			782.388	155.399	160.082		315.481	466.907	626.989
Total as of 12/31/2017	7.151.378	2.098.771	1.945.638	7.304.511	3.645.691	1.122.359	61.522	4.706.528	2.597.983	
Total as of 12/31/2016	5.709.009	3.084.376	1.642.007	7.151.378	2.469.565	1.267.458	91.332	3.645.691		3.505.687

Composition and Evolution of intangibles assets for the fiscal year ended December 31st 2016 compared with previous fiscal year

(numbers expressed in pesos according Note 2.2)

Annex II

Main Account	Original Cost			Accumulated Depreciation			Net resulting	
	At the beginning of fiscal year	Increases	At the end of fiscal year	At the beginning of fiscal year	fiscal year	At the end of fiscal year	Total as of 12/31/2017	Total as of 12/31/2016
Software license	262.951	3.202	266.153	170.107	53.454	223.561	42.592	92.844
Total as of 12/31/2017	262.951	3.202	266.153	170.107	53.454	223.561	42.592	
Total as of 12/31/2016	205.386	57.565	262.951	106.808	63.299	170.107		92.844

Foreign Currency Assets at December 31st 2017 compared with previous fiscal year

Annex III

Concept	Currency	Quantity	Exchange rate	Legal tender as of 12/31/2017	Legal tender as of 12/31/2016
ASSETS					
Cash and banks					
Cash	U\$S	77.328	18.549	1.434.355	884.340
Total Current Assets				1.434.355	884.340
Total Assets				1.434.355	884.340
LIABILITIES					
Accounts Payable					
Suppliers	U\$S				3.202
Total Current Liabilities					3.202
Total Liabilities					3.202

U\$S: US Dollars

Tecno Acción Salta S.A.**Annex IV**

Information required under Section No. 64 Paragraph I Subsection B of Law No. 19.550 for the fiscal year ended December 31st 2017 compared with previous fiscal year.

(numbers expressed in pesos according Note 2.2).

Main Account	Operations costs	Marketing costs	Administratio n costs	Totals as of 12/31/17	Totals as of 12/31/16
Salaries and social charges	36.867.581	5.079.754	11.610.101	53.527.436	45.325.371
Public services and rates	33.233.468	123.098	14.632.914	47.989.480	40.078.366
Systematization of games	3.679.459	239.416	735.960	4.654.835	3.664.468
Fee	83.032.636			83.032.636	68.153.603
Audit fee ENREJA	32.439.383			32.439.383	26.154.730
Prizes and games	742.457.090			742.457.090	555.847.527
Commissions		208.887.597		208.887.597	162.417.950
Draw costs	419.691			419.691	392.771
Depreciations of fixed assets	1.064.009	30.777	27.253	1.222.359	1.267.458
Consumables	1.828.489			1.828.489	1.213.376
Mobility and travel expenses	564.261	77.809	177.838	819.908	920.643
Rents	754.817		3.356.453	4.111.270	3.874.741
Professional fees	3.619		1.965.160	1.968.779	1.634.885
Maintenance services and monitoring	1.364.952	188.222	430.192	1.983.366	1.584.690
Advertising expenses		4.496.590		4.496.590	3.027.044
Freights	587.223			587.223	831.544
Office expenses	254.037	4.040	9.233	267.310	217.816
Bank expenses			1.057.077	1.057.077	911.478

Intangibles amortization	Assets	53.454			53.454	63.299
Insurances		172.162		62.594	234.756	230.807
Totals as of 12/31/2017		938.746.334	219.127.303	34.065.095	1.191.938.732	
Totals as of 12/31/2016		718.572.229	170.346.865	28.893.473		917.812.567

SUPERVISORY COMMITTEE'S REPORT

To the shareholders of

TECNO ACCION SALTA S.A.:

In our capacity as members of the Supervisory Committee, and in accordance with the provisions of Section 294, subsection 5 of the Business Companies Law, we have examined, to the extent provided in chapter II, the documents described in chapter I below. The preparation and issuance of the referred documents is the responsibility of the Company's Board of Directors in exercise of its exclusive duties. Our responsibility is to express an opinion on such documents based on our work done to the extent provided in chapter II.

I. EXAMINED DOCUMENTS.

- a) Balance Sheet as of December 31, 2017.
- b) Statement of Income for the fiscal year ended December 31, 2017.
- c) Statement of Changes in net Shareholders' Equity for the fiscal year ended December 31, 2017.
- d) Statement of Cash Flow for the fiscal year ended December 31, 2017.
- e) Notes 1 to 9 and Annexes I to IV corresponding to the financial statements for the fiscal year ended December 31, 2017.
- f) Annual Report for the fiscal year ended December 31, 2017.
- g) Inventory as of December 31, 2017.

II. SCOPE OF EXAMINATION.

Our examination was made in accordance with the standards applicable to statutory auditors currently in force provided by Technical Resolution No. 15 issued by the Argentine Bureau of Professional Associations of Economic Sciences (Federación Argentina de Consejos Profesionales de Ciencias Económicas). Such standards require statutory auditors to examine the financial statements in accordance with the auditing standards in force in the Republic of Argentina and include verifying whether they are consistent with the information concerning corporate decisions as disclosed in minutes, and evaluate the conformity of these decisions with the Law and the by-laws, insofar as concerns formal and documentary aspects.

To perform our professional task involving the documents detailed in items a) to e) of chapter I, we have considered the audit performed by the external auditors, Grant Thornton, who issued their report on March 5th, 2018. Our examination included verifying the planning of the audit, as well as the nature, scope and timing of the procedures applied and the results of the audit performed by such auditors.

Given that the Supervisory Committee does not have any management control duties, the scope of the examination did not span over the corporate criteria and decisions of the different areas of the Company such as administration, marketing and production, which matters are an exclusive responsibility of the Board of Directors.

An audit involves performing procedures to obtain audit evidences about information disclosed in the financial statements. The procedures selected depend on the auditor's professional judgment and include risk assessments concerning the existence of material misstatements in the financial statements, arising from mistakes, omissions or irregularities. When assessing these risk assessments, the auditor considers the Company's internal control relevant to the preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control system in force.

In addition, an audit also includes the evaluation of the appropriateness of accounting policies and reasonableness of accounting estimates made by the Company's Board of Directors and Management as well as the general presentation of the financial statements.

With reference to the Annual Report for the fiscal year ended December 31, 2017 we have verified that such document includes the information required under Section 66 of the Business Companies Law No. 19.550, with the statements made therein as regards the economic framework in which the Company operated, the corporate management and the future events being the exclusive responsibility of the Board of Directors. In addition, as concerns the numerical financial data included in such document, as long as it is within our scope, we have verified that such information is consistent with the Company's supplementary accounting records and other relevant information

III. OPINION.

In our opinion, based on the examination made within the scope described in chapter II, the financial statements mentioned in paragraphs a) to e) of chapter I present fairly, in all material respects, the financial position of Tecno Acción Salta S.A. as of December 31, 2017, and the results of its operations, the changes in its Shareholders' equity, and its cash flows for the fiscal year then ended, in accordance with the professional accounting standards in force.

The Annual Report for the fiscal year ended December 31, 2017 includes the information required under Section 66 of the Business Companies Law No. 19.550, with the statements made therein as regards the economic framework in which the Company operated, the corporate management and the future events being the exclusive responsibility of the Board of Directors. As concerns the numerical financial data included in such documents, as long as it is within our scope, they are consistent with the Company's supplementary accounting records and other relevant documentation.

The financial statements mentioned in paragraphs a) to e) of chapter I and the relevant inventory are consistent with the Company's supplementary accounting records transcribed to the certified books taking into account Note 9, which, according to our criteria, had been kept, in all their formal respects, in accordance with the provisions of laws in force and the notes of which are consistent with the notes of the respective supplementary records.

Pedro Aladrén.
Supervisory Committee



INDEPENDENT AUDITORS REPORT.

Grant Thornton Argentina.

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Board of Directors of

TECNO ACCION SALTA S.A.

C.U.I.T: 30-71487419-1

Legal domicile: España 696.

City of Salta, Province of Salta.

I. FINANCIAL STATEMENTS AUDITED.

We have analyzed general balance sheet of TECNO ACCION SALTA S.A. (hereinafter “the Company”) at December 31st 2017 and its corresponding income statements, evolution of net equity and cash flow for the fiscal year ended in said date.

The numbers and other information corresponding to fiscal year ended in December 31st 2016 are integral part of the financial statements abovementioned and are presented with the aim that those are interpreted exclusively in relation with the numbers and the information of the current fiscal year.

II. Responsibility of the Directors in relation to the financial statements

The Board of Directors is responsible for the preparation and presentation reasonable of the annexed financial statements in accordance with the Argentine accounting standards and internal control that the Board of directors considers necessary for the preparation of the financial statements free from misstatements.

III. Responsibility of the auditor

Our responsibility consists of expressing an opinion on the annexed financial statements based on audit. We have performed our examination in accordance with audit standards established by Technical Resolution No. 37 of the Argentine Federation of Professional Councils in Economic Sciences. Said standards require compliance with ethics standards also as well as to plan and perform audit with the aim of obtaining a reasonable assurance that the financial statements are free from misstatements.

An audit includes applying procedures to obtain elements of judgement of numbers and information expressed in the financial statements. The selected procedures depend on the professional judgement of the auditor, who evaluates the risks of significant distortions in the financial statements originated in errors or irregularities. When assessing these risk assessments, the auditor considers the Company's internal control relevant to the preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control system in force. In addition, an audit also includes the evaluation of the appropriateness of accounting policies and reasonableness of accounting estimates made by the Company's Board of Directors as well as the general presentation of the financial statements.

We consider that the elements of judgement we have obtained are a sufficient and appropriate base for our audit.

IV. OPINION

In our opinion, the financial statements mentioned in section I, reasonably present in all its significant aspects, the information on the property status of TECNO ACCION SALTA S.A. at December 31st 2017, the results of operations, changes in net equity and cash flow for the fiscal year according to the current professional accounting standards in the city of Salta, province of Salta, Argentine Republic.

V. INFORMATION REQUIRED BY EXITING LEGAL PROVISIONS.

In compliance with existing legal provisions, we inform that:

- a) As of December 31st 2017, the debt accrued in concept of contributions and health contributions in favor of the Argentine Integrated Social Security System that stem from accounting records of the Company, amount to \$1.321.180, not being required to that date.
- b) We have applied the procedures on prevention of money laundering derived from crime and terrorism financing provided by Resolution No. 420/11 of the Argentine Federation of Professional Councils in Economic Sciences.

City of Salta, province of Salta, March 5th 2018

The Professional Council in Economic Sciences of Salta certifies that the signature which appears at the reverse of this document coincide with the registered, which corresponds to FRAGA LEONARDO registered as a PUBLIC ACCOUNTANT under the registration number No. 2461, folio 408 Tome Vin professional performance No. 3.694/17 HOME OFFICE belonging to TECNO ACCION SALTA S.A.

Salta, Friday April 21st 2017

Signed for the purpose of its identification

with our report of February 2nd 2017.

Adler, Hasebclever & Asociados S.R.L.

Certified Public Accountants.

C.P.C.E. Prov. Of Salta. Reg. 156

Pedro Aladrén.
Supervisory Committee.

Leonardo Fraga (associate).
Public Accountant (U.B.A.)
C.P.C.E. Prov. Of Salta.
Reg. 2461 – T°V F°408

Federico M. de Achával.
President