

INTRALOT Group

MANAGEMENT'S DISCUSSION & ANALYSIS



Attributable to:			
Equity holders of parent			
-Profit/(loss) from continuing operations	-102,9	26,6	n/a
-Profit/(loss) from discontinued operations ¹	-3,2	-9,1	n/a
Non-Controlling Interest			

by the strong growth of Service Revenue (+18.5% y-o-y), offsetting the lower merchandise sales and the effect from the adverse USD movement (3.5% Euro appreciation versus a year ago — in average terms). In addition to our US operations, also generated a positive variance (€+ 4,5m) due to the higher COVID-19 impact in the 12M20, while partially offset by a one-off merchandise sale in 1Q20. Sales from other jurisdictions ended higher (€+0,9m) mainly due to better performance in Argentina and Croatia new contract contribution, offsetting the lower merchandise sales vs 12M20.

The following table sets forth our Gross Gaming Revenue for each business activity for the twelve months period ended December 31, 2020 and 2021.

(€ in million)			
Licensed operations	40,3	54,4	34,9%
Management contracts	33,6	47,4	41,3%
Technology and support services	211,5	233,5	10,4%

Administrative expenses increased by €9,3 million, or 14,6%, from €64,2 million in the twelve months period ended December 31, 2020 to €73,6 million in the twelve months period ended December 31, 2021. This increase was primarily due to increased costs in USA, Australia and Turkey which are partially counterbalanced from decreased costs in Greece.

Research and development expenses decreased by 1,3 million or 46,1%, from €2,9 million in the twelve months period ended December 31, 2020 to €1,5 million in the twelve months period ended December 31, 2021.

Reorganization expenses of €17,2 million in the twelve months period ended December 31, 2021 and €6,8 million in the twelve months period ended December 31, 2020, refer to advisors' fees regarding the 2021 and 2024 Bonds restructuring.

of its current contract with Intralot de Peru SA through 2024, to continue to provide its gaming technology and support services. From 31/12/2020 the above activities of the Group in Peru were classified as discontinued operations pursuant to IFRS 5 par.8.. Meanwhile, the Group's investment in Intralot de Peru SAC was classified as at 31/12/2020 to "Assets held for sale". The above transaction was completed within February 2021 and the net price after taxes and transaction costs amounted to \$16,2 million (€13,3 million).

Below are presented the results of the Group's discontinued operations in Peru (Intralot de Peru SAC) for the periods 1/1-31/12/2020 and 1/1-31/1/2021 (in 2021 it was consolidated through equity method until 31/1/2021):

Gains / (losses) from consolidations under the equity method	0,8	0,1
Income Tax	0,0	0,0



loss before taxation from total operations (continuing and discontinued) improved by €124,6 million, from a loss of €95,4 million in the twelve months period ended December 31, 2020 to a gain of €29,2 million in the twelve months period ended December 31, 2021, due to the improvement by €129,0

12M21. Maintenance CAPEX accounted for €10,9m, or 47,6% of the overall capital expenditure in 12M21, from €7.6m or 21,2% in 12M20.

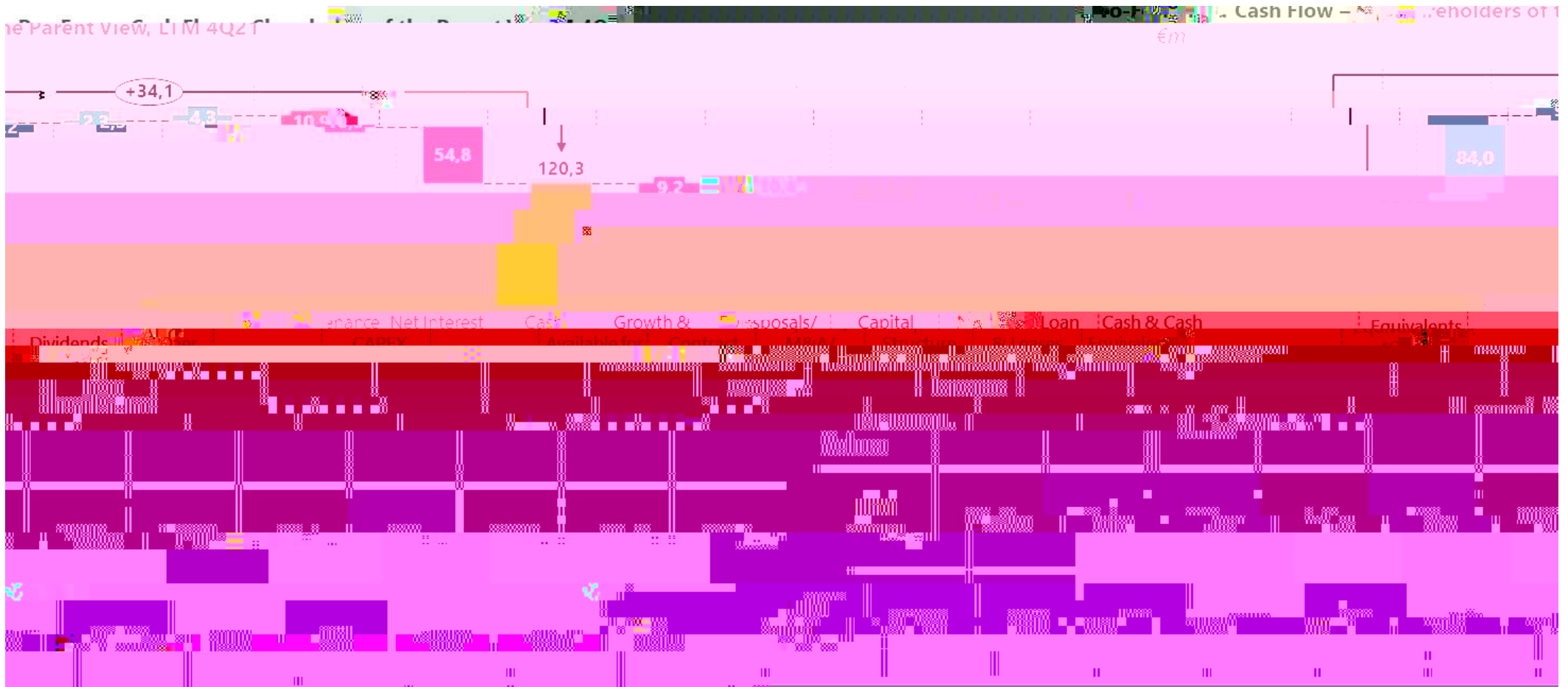
Net cash from financing activities comprises net cash proceeds from financing arrangements as well as payment of cash interest and the payment of dividends to our shareholders or to minority interests.

In the twelve months period ended December 31, 2021, net cash outflows from financing activities were €87,1 million, compared to net cash outflows of €76,5 million in the twelve months period ended December 31, 2020. This increase of net cash outflows from financing activities consisted of €8,8 million y-o-y inflow in net cash flows from financing arrangements (mainly due to the net outflow of €22,6 million of Intralot Global Holdings BV revolving facility due to the drawdown in 2020 and repayment in 2021, and the net inflow of €30,3 million of local facilities and leasing arrangements in USA, mainly as a result of the drawdown of revolving g arra

The main variance (YoY and QoQ) drivers are portrayed in the table below:



The following chart portrays the Shareholders of the Parent View of the Cash Flow Movement (Pro-Forma) for the last twelve months ended December 31, 2021, as well as the historical values of LTM 3Q21 and LTM 2Q21.





In Greece, we provide technology support and support services for the operation of private gaming and the lottery through INTRALOT S.A., our parent company. Originally incorporated in Athens in 1992, we won our first domestic contract in 1993. We currently operate three contracts in Greece.

As the center of our Global operations, Greece is also home to our betting-trading center that controls our global fixed-odds betting activity, and significant research and development programs (Technology Hub), as well as our corporate headquarters which supports the wider INTRALOT ecosystem, employing approx. 480 employees at the end of December 31, 2021. As such, INTRALOT S.A. expenses serve the different projects, including among others the Greek projects, but the majority of the effort is distributed towards servicing and supporting the pipeline of won and upcoming contracts, as well