

Report of the Board of Directors of the company “INTRALOT SA INTEGRATED LOTTERY SYSTEMS AND SERVICES” and the distinctive title “INTRALOT” in accordance with paragraph 4.1.3.13.2 of the Athens Stock Exchange Regulation and article 22 par. 1 and 2 of Law 4706/2020

Introduction

The Ordinary Shareholders Meeting of “INTRALOT SA INTEGRATED LOTTERY SYSTEMS AND SERVICES” and the distinctive title “INTRALOT” (the “Company”) with its decision dated 30.08.2023, among others, granted to the Company’s Board of Directors the authorization in order to resolve, pursuant to art. 24 para. 1(b) of Law 4548/2018, the increase of the share capital of the Company up to an amount not exceeding the 100% of the paid-up share capital on the date of granting of such authorizations to the Board of Directors, namely to increase the share capital by up to the amount of €111,401,100 (nominal capital) with the issuance of new common registered shares with voting rights, and to define the specific terms and time-schedule of the share capital increase with a relevant resolution pursuant to the applicable provisions of Law 4548/2018, including, indicatively, the structure of the increase, the subscription price of the new shares, the allocation criteria between the different categories of investors, the execution of the necessary contracts or agreements with banks or/and other investment services companies acting as intermediaries, organizers, coordinators or administrators and in general, to proceed with any required or advisable action, deed or transaction for the implementation of the share capital increase, including the relevant amendment of the Articles of Association of the Company. In addition, it will have to option to resolve that in case the share capital increase is not fully covered, there will be a possibility of partial coverage and, furthermore, to define relevant terms and conditions. The aforementioned authorization will remain in force for six (6) months as of the resolution of the General Meeting. The Board of Directors may exercise the abovementioned powers once.

By virtue of the authority granted to it by the above decision of the Shareholders Meeting, the Board of Directors of the Company on 02.10.2023 plans to decide among others:

(i) The Company’s share capital increase up to the amount of sixty nine million eight hundred twenty seven thousand five hundred eighty six Euro and thirty cents (€ 69.827.586,30) (the “**Increase**”), with the issuance of up to two hundred thirty two million seven hundred fifty eight thousand six hundred twenty one (232.758.621) new, common, dematerialized, registered voting shares with a nominal value of 0,30 Euros each (the “**New Shares**”), with cash payment and with a pre-emption right of the existing shareholders of the Company. The holders of a pre-emption right to the Increase will be entitled to acquire New Shares with a ratio of 0,626812359123923

New Shares for each old share of the Company. In case the Increase is not fully subscribed for, there will be a possibility for a partial subscription.

(ii) The issue price of New Shares is determined at Euro fifty-eight cents (€ 0,58) per New Share (the “**Issue Price**”). The Issue Price may be higher than the stock price at the time of the detachment of the pre-emption right. The total difference between the nominal value of the New Shares and their issue price, amount (in case of full subscription of the Increase) sixty five million one hundred seventy two thousand four hundred thirteen Euro and eighty eight cents (€65.172.413,88), will be credited to the account “Share Premium”.

(iii) No fractions of New Shares will be issued and the New Shares resulting from the Increase will be entitled to dividends from the profits of the current fiscal year (01.01.2023-31.12.2023) and thereafter, in accordance with the applicable legislation and the Company's Articles of Association, provided that the Annual General Meeting of the Company resolves to distribute dividends for such fiscal year and, in addition, provided that the New Shares have been credited to the securities accounts of the beneficiaries identified through the Dematerialised Securities System (the "D.S.S.") managed by the "ATHENS EXCHANGE CLEARING HOUSE" ("ATHEXClear"), on the date of the detachment of the dividend right.

(iv) A deadline of fourteen (14) calendar days is set for the exercise of the pre-emption rights of existing shareholders, according to article 26 par. 2 of L. 4548/2018 with a possibility for extension following a new decision of the Company's BoD without prejudice of the deadline for the payment of the Increase. The following persons will have the pre-emption right in the Increase:

- (a) all the shareholders of the Company, who will be registered in the D.S.S., on the date of identification of beneficiaries (record date) according to article 5.2 of the of the Athens Exchange Regulation, if they retain these rights during their exercise time, and
- (b) those who acquire pre-emption rights during their trading period on the Athens Exchange.

The above under items (i) and (ii) persons will be entitled to exercise the pre-emption rights for the New Shares with a ratio of 0,626812359123923 New Shares for each old share.

The maximum amount of New Shares for which a holder of pre-emption rights can be subscribed is a direct function of the number of the pre-emption rights held. The pre-emption rights are freely transferable and will be traded on the ATHEX from the commencement date of their exercise period until three (3) business days before the last day of their exercise period, according to article 5.3.1.2 case (5) of the ATHEX Regulation.

(v) To set the ex-rights date as 10.10.2023, as the record date 11.10.2023, as the end date of the pre-emption rights negotiation period on 23.10.2023 and as the expiry date of the exercise of pre-emption rights on 26.10.2023. It is noted that if required by the time for the approval of the Prospectus by the Capital Market Commission, these dates may be modified by a later decision of the Board of Directors.

(vi) A deadline of four (4) months is set from the day of registration of the resolution of the Board of Directors for the Increase in the General Electronic Commercial Registry, for the payment of the Increase, according to article 20 par. 2 of L. 4548/2018.

(vii) to grant an oversubscription right (the "**Oversubscription Right**") to persons who have fully exercised their pre-emption rights, for the acquisition at the Issue Price of New Shares that may remain unallotted following the timely exercise or expiration of the pre-emption rights (the "**Unallocated Shares**"). Oversubscription Rights may be exercised for the acquisition of Unallocated Shares not exceeding 200% of the New Shares resulting from the exercised pre-emption rights.

In case the number of Unallocated Shares is greater than the number of Shares requested through oversubscriptions, the oversubscriptions will be satisfied in their entirety. If the number of Unallocated Shares is not sufficient for the full satisfaction of the demand from oversubscriptions, the beneficiaries of the Oversubscription Rights will be satisfied pro-rata and on the basis of the number of New Shares for which an Oversubscription Right has been

exercised as against the total number of Unallocated Shares until those are completely exhausted. Any paid oversubscription amounts that will not be used to acquire Unallocated Shares will be released and returned interest-free to those who exercised the Oversubscription Right.

(viii) In the event that after the distribution of New Shares based on the exercised pre-emption rights, and the Oversubscription Rights, there are Unallocated Shares still available, those (the “**Private Placement Shares**”) to be allocated at their Issue Price at the discretion of the Board of Directors by way of private placement (the “**Private Placement**”) in collaboration with the Lead Underwriter (as defined below).

(ix) The appointment of Ambrosia Capital Hellas AEPEY as Lead Underwriter (the “**Lead Underwriter**”), of Euroxx Securities AEPEY as Underwriter and of Piraeus Bank S.A. as Issue Advisor.

In case of full subscription, an amount of €135.000.000,18 will be raised from the Increase.

A. Report on the use of funds raised from the previous increase

The funds raised from the previous increase of the Company’s share capital were used as follows:

Table of Utilization of Funds Raised from the Share Capital Increase

S/N	Use of Proceeds	Funds raised (in thousand €)	Funds used (in thousand €)		Note
			Up to 31/12/2022	Remaining for use after 31/12/2022	
1	Financing of subsidiaries through increase of their share capital so as for them to regain 34,27% of its indirectly owned Dutch subsidiary, “Intralot US Securities B.V.” according to the process described in Note 1 below	125.088	125.088	0	1
2	Working Capital financing	2.736	3.236	0	2
3	Estimated Issue Expenses	1.400	900	0	
Grand Total		129.224	129.224	0	

Notes:

1. Amount of 125.088 thousand Euro was utilized for the regaining from the companies of Intralot Group [and specifically through the indirectly owned subsidiary (100%) “Intralot Global Holdings B.V.” incorporated in the Netherlands] of the 34,27% shareholding of “Intralot US Securities B.V.” (also incorporated in the Netherlands), during 2022, as reported in the Prospectus. More specifically, on July 28, 2022, “Intralot Global Holdings B.V.” purchased 33.227.256 ordinary shares (or 33,23%) of “Intralot US Securities B.V.” from their then current holders for a price of €3,65 per share (i.e. €121.279.484,40 in total), whereas the remaining 1.043.424 shares (or 1,04%) of “Intralot US Securities B.V.” were purchased also by “Intralot Global Holdings B.V.” for the same price per share, a few days later, pursuant to the "drag-along" provisions of the Joint Venture Agreement in effect since August 3, 2021.

The amount of 125.088 thousand Euro was directed to “Intralot Global Holdings B.V.” as follows:

On July 25, 2022, the Company contributed the aforementioned amount to its subsidiary in the Netherlands, “Intralot Global Securities B.V.” as share premium, in the frame of a share capital increase of a total amount of 125.500 thousand Euro. Subsequently, “Intralot Global Securities B.V.” also contributed the same amount on July 25, 2022, to its subsidiary “Intralot Global Holdings B.V.” as share premium, in the frame of a share capital increase of a total amount of 125.500 thousand Euro. With the regaining of 34,27% of the shareholding of “Intralot US Securities B.V.”, the latter is now a wholly owned subsidiary (100%) of Intralot Group. To be mentioned that “Intralot US Securities B.V.” holds indirectly 100% of the shares of “Intralot, Inc.” a US (Georgia) corporation.

2. Issue expenses finally amounted to €900k instead of the initial provision of €1.400k, while the remaining amount of €500k was used for working capital purposes as per relevant provisions described in the Prospectus.

B. The Company's investment plan, its implementation schedule and detailed analysis of the destination of the funds

In the event that the Share Capital Increase is fully subscribed for, the total funds raised, after deducting the estimated issuance expenses of approximately €4.900.000, are estimated to amount to approximately €130.100.000,18, and the Company will use all of the net proceeds raised as follows:

1) Amount € 126 million for the repayment of part of the 5,25% Senior Notes with an initial nominal value of €500 million due September 2024 issued by Intralot Capital Luxembourg SA in September 2017. The Group proceeded to the repurchase of Senior Notes from the open market with nominal value of €5,0 million during 2018, as well as €21,2 million during the second half of 2019, forming the total outstanding nominal amount at €473,8 million. The Group finalized on August 3, 2021 the transfer of shares from Intralot Global Holdings B.V., amounting to 34,27% of the share capital of Intralot US Securities B.V. (indirect parent of Intralot, Inc.), to the holders of existing notes of the 5,25% Senior Notes with a nominal value of €118,24 million who participated in the exchange. Following the above transaction, these notes were acquired by Intralot Global Holdings B.V. So, the total outstanding nominal value of 5,25% Senior Notes on August 3, 2021 came up to €355,568 million. On August 8, 2023 the above-mentioned notes, with nominal value €144.432 million, were repurchased by Intralot Capital Luxembourg SA and subsequently cancelled and delisted from the Luxembourg Stock Exchange. The remaining outstanding principal amount of the issued Senior Notes is now €355,568 million.

The net proceeds from the Share Capital Increase are intended to be directed to Intralot Capital Luxembourg SA as follows: Amount € 126 million to be provided from Intralot S.A. to Intralot Finance UK Ltd for the repayment of outstanding intragroup zero coupon bonds; amount €126 million to be provided from Intralot Finance UK Ltd to Intralot Capital Luxembourg SA for the repayment of outstanding intragroup loans within twelve (12) months from the certification payment of the Share Capital Increase.

2) The remaining amount will be used for working capital purposes, within twelve (12) months from the certification payment of the Share Capital Increase.

In the event that the Share Capital Increase is not fully subscribed for, net proceeds will be used for the first (1) use above and only if this use is fully covered, then the remaining amount will be used for the second (2) use, i.e. working capital.

Pending final use of the proceeds set forth above, the amount raised will be invested in short-term low-risk investments, such as e.g. time deposits.

C. In the event that the share capital increase is decided for the purpose of the direct or indirect acquisition of a non-listed company and the acquisition price exceeds the amount of €1.000.000, relevant information.....

Non Applicable.

D. In case of disposal of funds to participate in the share capital increase of other companies, information about the investment plan of these companies

Non Applicable.

E. Announcements of the major shareholders of the Company & members of the Board of Directors

In view of the Increase, the following major shareholders of the Company have informed the Board of Directors with their announcements below:

- Mr. Sokratis P. Kokkalis in his capacity as a major shareholder of the Company and Chairman and CEO, indirectly controlling, through the company 100% controlled by him "K-GENERAL INVESTMENTS AND SYSTEMS SOLE HOLDING COMPANY" which controls more than 90% of the company "ALPHACHOICE SERVICES LIMITED", 120.401.087 shares of the Company, i.e., indirectly, 32,42% of the Company's share capital, in the context of application of Article 4.1.3.13.2 of the Athens Stock Exchange Regulation in view of the increase of the Company's with a resolution of the Board of Directors of the Company on 02.10.2023, declares its intention:

- (a) "ALPHACHOICE SERVICES LIMITED" not to exercise its pre-emption rights but part of the pre-emption rights, and specifically 5.501.289 pre-emption rights corresponding to 3.448.276 new shares to be sold after the start of the preemption rights trading at the Athens Stock Exchange with a pre-agreed Over the Counter (OTC) transaction to the company "Cleardrop Holdings Limited", which is a company 100% indirectly controlled by him, which has declared its intention to purchase them from "ALPHACHOICE SERVICES LIMITED" while the remaining

pre-emption rights intends to sell with the same as above procedure to investors, including Intracom S.A. Holdings.

Therefore, the total percentage of his indirect participation in the Company will amount to 20,50% (assuming the Increase is fully subscribed).

- (b) not to further change his indirect shareholding in the Company:
 - (i) until the completion of this increase and the listing of the new shares of the Company, and
 - (ii) for a period of six (6) months after the start of trading.

- Mr. Soohyung Kim in his capacity as a major shareholder of the Company and member of the Board of Directors of the Company, controlling indirectly, through the company controlled by him "Acme Amalgamated Holdings, LLC" which controls the company "Standard General Management, LLC", which controls the company "The Queen Casino & Entertainment, LLC" which controls the company "CQ Lottery LLC", 122.182.840 shares of the Company, i.e., indirectly, 32,9% of the Company's share capital, in the context of the implementation of article 4.1.3.13.2 of the Athens Stock Exchange Regulation in view of the increase of the Company's share capital, with a resolution of the Board of Directors of the Company on 02.10.2023, declares its intention:

- (a) To exercise part of the pre-emption rights corresponding to him indirectly and specifically 63.952.483 pre-emption rights which correspond to 40.086.207 new shares, while the remaining pre-emption rights intends to be sold, after the start of the preemption rights trading at the Athens Stock Exchange, with a pre-agreed Over the Counter (OTC) transaction to investors.

Therefore, the total percentage of his indirect participation in the Company will amount to 26,86% (assuming the Increase is fully subscribed).

- (b) not to further change his indirect shareholding in the Company:
 - (i) until the completion of this increase and the listing of the new shares of the Company, and
 - (ii) for a period of six (6) months after the start of trading.

F. Amount of Increase - Issue price of the New Shares

The Company's share capital will increase up to the amount of sixty nine million eight hundred twenty seven thousand five hundred eighty six Euro and thirty cents (€ 69.827.586,30), with the issuance of up to 232.758.621 new, common, dematerialized, registered voting shares with a nominal value of 0,30 Euros each, with cash payment and with a pre-emption right of the existing shareholders of the Company. The holders of a pre-emption right to the Increase will be entitled to acquire New Shares with a ratio of 0,626812359123923 New Shares for each old share of the Company.

The issue price of New Shares is determined at Euro fifty-eight cents (€ 0,58) per New Share. The Issue Price may be higher than the stock price at the time of the detachment of the pre-emption right.

G. Reasons for submitting the Company's shares into the Surveillance Category - Developments and actions of the Company

The submission of the Company's shares in the Surveillance Category took place on 09.07.2020 due to negative equity as it emerged from the annual consolidated financial statements of 2019 and following the 2030/03.07.2020 letter of the company, while it remains so until today. More specifically, for the Financial Year of 2019 the Group's total equity was -93,2 million euros for the Financial Year of 2020 it was -219,2 million euros mainly due to the impact of the pandemic on the results of the INTRALOT Group.

From that point on, the Company planned and began to implement a series of actions, both on a financial and an operational level, with the aim of curing this matter in order to remove the reasons for the submission of its shares in the Surveillance Category and to rejoin the Main Trading Market. These actions are summarized below:

- 1) Refinancing of the Group's Bond Loans with a parallel reduction in their amount against the transfer of 34,27% of the shares of "Intralot US Securities B.V." (indirectly owning 100% of the shares of "Intralot Inc." incorporated under the laws of the state of Georgia, USA) to holders of Notes due September 2024, actions which were completed in August 2021 and resulted in strengthening of the Group's equity capital by approximately €163 million.
- 2) Share capital increase of the parent listed company amounting to €129,2 million, which was completed in July 2022, the funds of which were directed almost exclusively to the repurchase of the above percentage of 34,27% of the shares of "Intralot US Securities B.V.". With the completion of the said transaction, the Group again controls 100% of our subsidiary in the USA, thus having full access and control over this subsidiary, which has the most significant contribution to its results and is the most important vehicle to the direction of its future development, while, in addition, there are no longer third-party minority rights.
- 3) Strategic restructuring of the Group's operational activities targeting more profitable projects in developed markets and withdrawal of the Group's presence from markets and projects with low profitability. At the same time, a plan to rationalize the Group's cost base is being implemented, which combined with the above strategic choice led to an EBITDA profit margin on sales of 31,3% for 2022 from 12,2% in 2019, while the ratio has improved further during the first half of 2023 to 35,8%.

In addition, for the same reasons, EBITDA has shown a very high and continuous improvement, resulting from €66,2 million in 2020, to €110,4 million in 2021, to €122,9 million in 2022, while in the first half of 2023, for the 12-month period ending on 30.06.2023, it was €130,6 million.

The consequence of the above actions was the return to profitability, which has been consistently reflected over the last 2,5 years in the INTRALOT Group's income statement with profits after taxes amounting to €23,5 million in 2021, €24,5 million in 2022 and €9,1 million during the first half of 2023. The combination of all these events also led to a significant improvement in the Group's equity, which as of 30.06.2023 was €-93,3 million. The stable profitable results for the last 2,5 years combined with the steady growth of EBITDA in almost every reporting period are proof of the improvement of INTRALOT Group's course as well as a strong indication of its ability to continue on the same path in the future.

With the planned increase in the share capital, which is the last step in the series of actions implemented by the Management in the consolidation plan of the Group's finances, the Group's equity is expected to return to a positive sign.