

INTRALOT Group

MANAGEMENT'S DISCUSSION & ANALYSIS

**of our financial condition and results of operations
for the period 1/1-30/09/2022**

intralot

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Overview

We are a global leader in the supply of integrated gaming systems and services. We design, develop, operate, and support customized software and hardware for the gaming industry and provide innovative technology and services to state and state licensed lottery and gaming organizations worldwide. Since our establishment more than 20 years ago, we have developed innovative technological and operating know-how and experience, which are central to maintaining our existing customer relationships as well as winning new contracts. Our long-standing relationships with our customers give us valuable insight into their strategic and other business needs. We operate a diversified and stable portfolio in 41 jurisdictions worldwide. Our business activities range from the provision of customized gaming platforms to full management of end-to-end gaming operations either for our own or other licensed operations, depending upon the market in which we operate. In the twelve months period (LTM) ended September 30, 2022, we had revenue of €413.0 million and EBITDA of €115.9 million on continuing basis for entities that we consolidate, though we have minority ownership in some of such subsidiaries. In addition, in the twelve months ended September 30, 2022, our revenue from Greece, Rest of Europe, the Americas and the Rest of the World represented 1.8%, 26.0%, 56.1% and 16.1% of total revenue, respectively.

Results of Operations of the INTRALOT Group

Comparison of the nine months period ended September 30, 2021, with the nine months period ended September 30, 2022.

Overview

Income Statement Information (€ in million)	Nine months ended September 30,		% change
	2021	2022	
Revenue	302.8	301.7	-0.3%
Less: Cost of sales	-216.3	-215.2	-0.5%
Gross profit	86.5	86.6	0.1%
Other operating income	15.9	17.9	13.1%
Selling expenses	-16.1	-15.6	-3.3%
Administrative expenses	-47.6	-52.8	10.9%
Research and development expenses	-1.2	-1.2	-
Reorganization expenses	-16.9	-1.1	-93.3%
Other operating expenses	-3.0	-0.6	-79.2%
EBIT	17.5	33.1	89.8%
EBITDA	82.6	88.0	6.6%
Income/(expenses) from participations and investments	44.3	-0.6	n/a
Gain/(loss) from assets disposal, impairment, and write-off	-4.1	0.6	n/a
Interest and similar expenses	-50.6	-28.9	-42.8%
Interest and related income	46.9	1.5	-96.8%
Exchange differences	2.2	0.3	-84.7%
Profit/(loss) equity method consolidation	0.2	0.2	-
Gain/(loss) on net monetary position	0.5	13.1	n/a
Operating profit/(loss) before tax	56.8	19.4	-65.9%
Less: taxes	-7.6	-14.9	95.2%
Net profit/(loss) from continuing operations (a)	49.2	4.5	-90.9%
Net Profit / (loss) from discontinued operations (b) ¹	-9.2	5.6	n/a

Net Profit /(Loss) after taxes (Continuing and Discontinued Operations) (a) + (b)	40.0	10.0	-74.9%
Attributable to:			
Equity holders of parent			
-Profit/(loss) from continuing operations	44.5	-6.0	n/a
-Profit/(loss) from discontinued operations ¹	-9.1	5.6	n/a
	35.4	-0.5	n/a
Non-Controlling Interest			
-Profit/(loss) from continuing operations	4.7	10.5	124.5%
-Profit/(loss) from discontinued operations ¹	-0.1	0.0	n/a
	4.5	10.5	131.0%

¹The activities of Group subsidiaries and associates in Poland (Totolotek S.A.), Brazil (Intralot do Brazil Ltda, OLTP Ltda), Peru (Intralot de Peru SAC), and Taiwan (Goreward) are presented as discontinued operations pursuant to IFRS 5.

Note: Due to rounding, numbers presented throughout this, and other documents may not add up precisely to the totals.

Sales Overview

Total revenue decreased by €1.0 million, or -0.3%, from €302.8 million in the nine months period ended September 30, 2021, to 301.7 million in the nine months period ended September 30, 2022.

Revenue by Business Activity

The following table sets forth our revenue for each business activity for the nine months period ended September 30, 2021, and 2022.

Revenue by Business Activity (€ in million)	nine months period ended September 30,		% change
	2021	2022	
Licensed operations	94.8	82.2	-13.3%
Management contracts	34.6	35.3	2.2%
Technology and support services	173.4	184.2	6.2%
Total	302.8	301.7	-0.3%

Reported consolidated revenue for the nine-month period is lower by €1.0 million year over year. The main factors that drove top line performance per Business Activity are:

- **€-12.6m (-13.3%) from our Licensed Operations (B2C) activity line with the variance driven by:** Lower revenue in Malta (€-25.2m or -36.5% y-o-y) due to the license expiration early July 2022 and higher revenue in Argentina (€+12.6m or +49.2% y-o-y), driven by local market growth. In local currency, current year results posted a +88.4% y-o-y increase.
- **€+0.8m (or +2.2%) from our Management (B2B/ B2G) contracts activity line with the variance driven by:** Higher revenue in Morocco (€+0.5m), higher revenue from our US Sports Betting contracts in Montana and Washington, D.C. (€+0.2m) and steady performance, in EUR terms, from our Turkish operations.
- **€+10.8m (+6.2%) from our Technology and Support Services (B2B/ B2G) activity line, with the variance driven by:** Higher revenue in Australia, (€+4.6m or +41.2% y-o-y), higher revenue in Croatia (€+1.7m or +45.0% y-o-y) following full integration of our lottery solution, higher revenue from other jurisdictions (€+5.9m) mainly due to services related sales and lower revenue in US operations (€-1.3m or -1.2% y-o-y) mainly due to lower merchandise sales, fully offsetting the higher service revenue by 5.9% (from a currency perspective, there was a positive impact of 11.1%, Euro depreciation versus a year ago — in average terms).

The following table sets forth our Gross Gaming Revenue for each business activity for the nine months period ended September 30, 2021, and 2022.

GGR by Business Activity (€ in million)	nine months period ended September 30,		% change
	2021	2022	
Licensed operations	36.4	37.1	1.7%
Management contracts	34.6	35.3	2.2%
Technology and support services	173.4	184.2	6.2%
Total	244.4	256.6	5.0%

Gross Gaming Revenue (GGR) from continuing operations concluded at €256.6m in 9M22, posting an increase of 5.0% (or €+12.2m) year over year, attributable to the increase in the non-payout related GGR (+6.4% y-o-y or €+13.6m vs. 9M21) driven by the improved performance across most key regions, followed by the decrease in the payout related GGR (-4.3% y-o-y or €-1.4m vs. 9M21) arising from the lower sales in Malta, in part mitigated by the better performance of Argentina and the lower payout ratio both in Malta and Argentina (-16.0% y-o-y on wagers from licensed operations¹). 9M22 Payout Ratio decreased by 5.0pps vs. 9M21 (58.6% vs. 63.6%), significantly affected by the weighted contribution from our operations in Malta.

Gross Profit Margin

The Gross profit margin in the nine months period ended September 30, 2022 was 28.7% from 28.6% in the nine months period ended September 30, 2021.

Other Operating Income

Other Operating Income from continuing operations ended at €17.9m presenting an increase of 13.1% y-o-y (or €+2.0m). The bulk of income is mainly driven by the equipment leases in the USA.

Selling Expenses

Selling expenses decreased by €0.5 million, or 3.3% from €16.1 million in the nine months period ended September 30, 2021, to €15.6 million in the nine months period ended September 30, 2022. This decrease was driven by the lower costs in Turkey (Bilyoner), Morocco and USA.

Administrative Expenses

Administrative expenses increased by €5.2 million, or 10.9%, from €47.6 million in the nine months period ended September 30, 2021, to €52.8 million in the nine months period ended September 30, 2022. This increase is mainly due to increased costs in the US.

Research and Development Expenses

Research and development expenses remained unchanged at €1.2 million for the nine months period ended September 30, 2022, vs. the nine months period ended September 30, 2021.

¹ Licensed Operations Revenue also include a small portion of non-Payout related revenue, i.e., value-added services, which totaled €5.2m and €3.1m for 9M22 and 9M21 respectively, and €2.2m and €1.4m for 3Q22 and 3Q21 respectively.

Reorganization expenses

Reorganization expenses of €1.1 million in the nine months period ended September 30, 2022, and €16.9 million in the nine months period ended September 30, 2021, refer to advisors' fees regarding the 2021 and 2024 Bonds restructuring that took place in 2021.

Other Operating Expenses

Other operating expenses decreased by 2.4 million, from €3.0 million in the nine months period ended September 30, 2021, to €0.6 million in the nine months period ended September 30, 2022 (with the net positive impact arising from a reversal in provisions).

EBITDA

EBITDA from continuing operations amounted to €88.0 million in 9M22, posting an increase of 6.6% (or €+5.5m) compared to 9M21, while **EBITDA margin** on sales increased by 1.9pps, from 27.3% in the nine months period ended September 30, 2021, to 29.2% in the nine months period ended September 30, 2022

Income/ (expenses) from participations and investments

Income/ (expenses) from participations and investments came up to net expense of €0.6 million in the nine months period ended September 30, 2022, from net income of €44.3 million in the nine months period ended September 30, 2021. This decrease is mainly due to the gain from the balance sheet optimization transaction during 3Q21.

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

Gain/ (loss) from assets disposal, impairment loss & write-off of assets came up to net gain of €0.6 million in the nine months period ended September 30, 2022, arising from an impairment reversal of tangible assets, from net loss of €4.1 million in the nine months period ended September 30, 2021. The loss recorded in 9M21 was a result of the impairment in Bilyoner, Turkey.

Interest and Similar Expenses

Interest and similar expenses decreased by €21.7 million, or 42.8%, from €50.6 million in the nine months period ended September 30, 2021, to €28.9 million in the nine months period ended September 30, 2022. This decrease was mainly affected by the lower interest costs in 2022 (debt restructuring effect).

Interest and Related Income

The lower interest income arising mainly from the balance sheet optimization transaction that concluded within 3Q21 (€-45.4m vs 9M21).

Exchange Differences

The negative impact from FX results (€1.9 million vs 9M21), is a result of the valuation of cash balances in foreign currency other than the functional currency of each entity, and the valuation of commercial and borrowing liabilities of various subsidiaries abroad in EUR, which were offset by the positive impact of the reclassification of foreign exchange reserves on the Income Statement pursuant to IFRS 10.

Profit/ (loss) from equity method consolidation

Consolidation of associates and joint ventures through the equity method remained unchanged, exhibiting, a profit of €0.2 million (mainly deriving by the Group's associates in Asia).

Operating Profit/(Loss) before Tax

Operating Profit/(Loss) before Tax in 9M22 totaled €19.4m, compared to €56.8m in 9M21, with the variance driven by the lower interest income arising mainly from the balance sheet optimization transaction that concluded within 3Q21 (€45.4m vs 9M21), the lower income from participations and investments (€44.8m vs 9M21), significantly affected by the gain from the balance sheet optimization transaction during 3Q21, the higher D&A (€5.5m vs 9M21), mainly due to Turkey (Bilyoner) and USA and the negative impact from FX results (€1.9m vs 9M21), as a result of the valuation of cash balances in foreign currency other than the functional currency of each entity, and the valuation of commercial and borrowing liabilities of various subsidiaries abroad in EUR. With the decrease at EBT level being partially counterbalanced by: the lower interest expenses, a direct effect of the debt restructuring process (€21.7m vs. 9M21), the lower reorganization expenses following the successful conclusion of our capital structure optimization process (€15.7m vs 9M21), the gains on net monetary position (€12.7m vs 9M21) arising mostly from Turkey due to IAS 29 (considered a hyperinflationary economy since June 2022), the positive impact from EBITDA (€5.5m vs 9M21) and the absence of impairments and write-offs (€4.7m vs 9M21) that took place in 1H21 (arising from our operations in Turkey).

Taxes

Taxes in the nine months period ended September 30, 2022, amounted to expense €14.9 million, versus expense €7.6 million in the nine months period ended September 30, 2021.

Net Profit/(Loss) from Continuing Operations (a)

As a result of the above, net loss from continuing operations decreased by €44.7 million, from a profit of €49.2 million in the nine months period ended September 30, 2021, to a profit of €4.5 million in the nine months period ended September 30, 2022.

Net Profit/(Loss) from Discontinued Operations (b)

Discontinued operations in Poland (Totolotek S.A.), Brazil (Intralot do Brazil Ltda, OLTP Ltda), Peru (Intralot de Peru SAC) and Taiwan (Goreward) resulted in a profit of €5.6 million in the nine months period ended September 30, 2022, compared to a loss of €9.2 million in the nine months period ended September 30, 2021.

Analysis of discontinued operations:

• 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 transfer of Totolotek SA shares was completed at the end of April 2019 and the Group consolidated it by 30/4/2019. 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. On 30/9/2021 the Group recognized a loss of €996 thousand from the non-collection of contingent consideration of Totolotek S.A. disposal, since the relevant terms and requirements were not met.

• Peru

On February 2021 INTRALOT announced that it has reached a binding agreement with Nexus Group in Peru to sell its entire stake of 20% in Intralot de Peru SA, an associate of INTRALOT Group, which is consolidated through the Equity method, for a cash consideration of \$21 million (twenty-one million USD). In addition, the Company has signed a three-year extension 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 to 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 period 1/1-31/1/2021 (in 2021 was consolidated through equity method until 31/1/2021):

	1/1-31/1/2021
Gains / (losses) from consolidations under the equity method	0.1
Profit / (loss) before taxes	0.1
Income Tax	0.0
	0.1
Gain/(loss) from disposal of discontinued operations	1.1
Corresponding tax	-1.3
Expenses and exchange differences occurred from sale	-0.2
Reclassification of exchange differences reserve to Income Statement	-0.6
Profit/(loss) after tax from discontinued operations	-0.9
Attributable to:	
Equity holders of parent	-0.9
Non-Controlling Interest	0.0

• Brazil

On May 14, 2021, INTRALOT announced that it has reached a binding agreement with "SAGA CONSULTORIA E REPRESENTAÇÕES COMERCIAIS E EMPRESARIAIS" ("SAGA") in Brazil to sell its entire stake in "Intralot do Brasil Comércio de Equipamentos e Programas de Computador LTDA" ("Intralot do Brasil"), representing 80% of the company's voting capital. SAGA is the only other shareholder of Intralot do Brasil holding 20% of the company. INTRALOT will continue to provide its gaming technology to Intralot do Brasil following closing of the transaction. The total cash consideration for the stake sale amounts to €700 thousand (seven hundred thousand EUR). Intralot do Brasil owes by 100% OLTP subsidiary. The above consideration was paid by €500 thousand within the second half of 2021 and the remaining amount of €200 thousand was paid during the first quarter of 2022. The net cash outflow of the Group during the nine months of 2021 from Sale of discontinued operations in Brazil amounted to €605 thousand, consisting of the derecognition of Intralot do Brasil Ltda cash.

Below are presented the results of the Group's discontinued operations in Brazil (Intralot do Brasil Ltda and OLTP Ltda) for the period 1/1-31/5/2021 (in 2021 were consolidated through full consolidation method until 31/5/2021).

	1/1-31/5/2021
Sale proceeds	7.2
EBITDA	-0.4
Profit/(loss) after tax	-0.6
Gain/(loss) from disposal of discontinued operations	-7.3
Corresponding tax	0.0
Reclassification of exchange differences reserve to Income Statement	0.6
Profit/(loss) after tax from discontinued operations	-7.3
Attributable to:	
Equity holders of parent	-7.2
Non-Controlling Interest	-0.1

- **Goreward**

On April 2022, the Group proceeded with the sale of the GoReward LTD group through its subsidiaries in Cyprus, INTRALOT INTERNATIONAL LTD and INTRALOT HOLDINGS INTERNATIONAL LTD, which held the Group's entire shareholding (38.84%). The total price from the sale of the participation amounts to €170 thousand and has been collected entirely within June 2022.

Net Profit/(Loss) from Continuing and Discontinued Operations (a) + (b)

As a result of the above, net gain/loss from total operations (continuing and discontinued) decreased by €30.0 million, from a gain of €40.0 million in the nine months period ended September 30, 2021, to a gain of €10.0 million in the nine months period ended September 30, 2022.

Net Income Attributable to Owners of the Parent

After deducting non-controlling interests, total operations net gain/loss attributable to the owners of the parent decreased by €35.9 million, from a gain of €35.4 million in the nine months period ended September 30, 2021, to a loss of €0.5 million in the nine months period ended September 30, 2022.

Net gain/loss from continuing operations attributable to the owners of the parent decreased by €50.5 million, from a gain of €44.5 million in the nine months period ended September 30, 2021 to a loss of €6.0 million in the nine months period ended September 30, 2022.

Net Cash Flows from Total Operations (continuing and discontinued)

Cash Flow Statement (€ in million)	nine months period ended September 30,	
	2021	2022
Operating activities		
Profit / (loss) before tax from continuing operations	56.8	19.4
Profit / (loss) before tax from discontinued operations	-7.9	5.6
Profit / (loss) before Taxation	48.9	24.9
Plus / Less adjustments for:		
Depreciation and Amortization	48.5	53.8
Provisions	5.0	-1.4
Results (income, expenses, gain and loss) from Investing Activities	-38.1	-5.1
Interest and similar expenses	50.6	28.9
Interest and similar Income	-47.6	-1.5
(Gain) / loss on net monetary position	-0.5	-13.1
Reorganization expenses	16.9	1.1
Plus / Less adjustments for changes in working capital:		
Decrease / (increase) of Inventories	-2.2	-6.4
Decrease / (increase) of Receivable Accounts	25.2	7.3
(Decrease) / increase of Payable Accounts (except Banks)	-27.4	-14.2
Income Tax (Paid)/received	5.0	-6.7
Total inflows / (outflows) from operating activities (a)	84.2	67.7
Investing Activities		
(Purchases) / Sales of subsidiaries, associates, joint ventures and other investments	9.6	-125.7
Purchases of tangible and intangible assets	-17.7	-15.4
Proceeds from sales of tangible and intangible assets	0	0.2
Interest received	1.5	2.0
Dividends received	0.0	0.2
Total inflows / (outflows) from investing activities (b)	-6.5	-138.7
Financing Activities		
Proceeds from issues of shares and other equity securities	0.0	128.9
Sale of own shares	0.1	0.0
Proceeds from loans	10.4	226.4
Repayment of loans	-12.1	-250.7
Repayments of lease liabilities	-3.4	-3.0

Interest and similar expenses paid	-56.5	-38.0
Dividends paid	-6.5	-2.9
Reorganization expenses paid	-17.7	-1.0
Total inflows / (outflows) from financing activities (c)	-85.6	59.8
Net increase / (decrease) in cash and cash equivalents for the period (a) + (b) + (c)	- 7.9	-11.2
Cash and cash equivalents at the beginning of the period	100.0	107.3
Net foreign exchange difference	-1.8	2.6
Cash and cash equivalents at the end of the period from total operations	90.3	98.8

Net Cash from Operating Activities

Net cash from operating activities comprises net profit before tax adjusted for working capital, cash taxes as well as certain non-cash items such as provisions and depreciation.

Operating Cash-flow in 9M22 amounted to €67.7 million, lower by €16.5 million, compared to 9M21. This decrease was primarily driven by the following:

- Net result before taxation from total operations (continuing and discontinued) decreased by €24.0 million, from a profit of €48.9 million in the nine months period ended September 30, 2021, to a profit of €24.9 million in the nine months period ended September 30, 2022,
- Depreciation and amortization from total operations increased by 11.0% from €48.5 million in the nine months period ended September 30, 2021 to €53.8 million in the nine months period ended September 30, 2022.
- The effect of provisions on cash flow, was positive €5.0 million in the nine months period ended September 30, 2021, to a negative effect of €1.4 million in the nine months period ended September 30, 2022, mainly due to the goodwill impairment loss for Bilyoner, as well as the higher doubtful provisions and receivables write-offs in 2021.
- The effect of results from investing activities on cash flow was negative €38.1 million in the nine months period ended September 30, 2021, versus a negative effect of €5.1 million in the nine months period ended September 30, 2022, mainly due to the lower income from dividends (€2.0m) in the nine months period ended 2022, the higher net FX gain (€1.5m y-o-y) in 2021, the higher net gain from investments disposals in 2021 (€32.4m y-o-y, out of which €8.0m resulted from Brazil Group) and the lower losses from associates in 2021 (€0.1m y-o-y);
- Net interest expenses in the nine months period ended September 30, 2022, was €27.4 million (9M21: €3.0m);
- Reorganization expenses accrued in the nine months period ended September 30, 2022, was €1.1 million (9M21: €16.9m);
- Changes in our working capital, which led to a cash outflow of €13.3 million in the nine months period ended September 30, 2022, compared with a cash outflow of €4.4 million in the nine months period ended September 30, 2021;
 - In particular, there was an increase of €6.4 million in inventories in the nine months period ended September 30, 2022, compared to an increase of €2.2 million in the nine months period ended September 30, 2021, mainly due to the timing of roll out of new the projects under construction;
 - also, there was a decrease of €7.3 million in receivables in the nine months period ended September 30, 2022, compared to a decrease of €25.2 million in the nine months period ended September 30, 2021, mainly due to the invoicing of Morocco in 2021;
 - also, there was a decrease of €14.2 million in payables towards our suppliers in the nine months period ended September 30, 2022, compared to a decrease of €27.4 million in the nine months period ended September 30, 2021, mainly due to the timing of payments in various projects and
 - There was a receipt from income tax of €5.0 million in the nine months period ended September 30, 2021 (deriving from appeals won by Intralot SA), versus payments of €6.7 in the nine months period ended September 30, 2022.

Net Cash from Investing Activities

Cash flow from investing activities generally consists of cash outflows for Purchases of Investments, for investments in tangible and intangible assets, interest and dividends received, as well as inflows/(outflows) from (Purchases) / Sales of subsidiaries, associates, joint ventures and other investments.

In the nine months period ended September 30, 2022, net cash outflows from investing activities were €138.7 million, which was a decrease of €132.2 million, from net outflows of €6.5 million in the nine months period ended September 30, 2021. This decrease is mainly attributable to the net investment outflow of €125.7 in the nine months period ended September 30, 2022, mainly coming from the outflow of €125.1 million following the repurchase of 34.27% of the share capital of Intralot US Securities B.V., indirectly parent company of Intralot Inc., versus net inflows from subsidiaries sale of €9.6 million in the nine months period ended 21, 2021, (direct effect of Intralot de Peru disposal) and the lower outflow of €2.3 million in the nine months period ended September 30, 2022 for capital expenditure. Our capital expenditure in the nine months period ended September 30, 2022, reached €15.4 million while in the nine months period ended September 30, 2021, reached €17.7 million.

Net Cash from Financing Activities

Net cash from financing activities comprises net cash proceeds from Cash received from Share Capital increase, financing arrangements as well as payment of cash interest and the payment of dividends to our shareholders or to minority interests. In the nine months period ended September 30, 2022 net cash inflows from financing activities were €59.8 million, compared to net cash outflows of €85.6 million in the nine months period ended September 30, 2021. The increase of net cash inflows from financing activities consisted of €128.9 million y-o-y inflow in net cash flows from Share Capital increase, net cash outflows from financing activities of €27.3 million, compared to net cash outflows of €5.1 million in the nine months period ended September 30, 2021 (mainly due to the US Debt refinancing – impact of €22.8 million), lower interest payments by €18.5 million in the nine months period ended September 30, 2022 (mainly due to the redemption fees and early coupons paid for the 2021 Notes Supplemental Indenture), lower dividends distribution to minority interests by €3.6 million in the nine months period ended September 30, 2022, and lower payments towards capital restructuring expenses by €16.7 million in the nine months period ended September 30, 2022.

Cash & Cash Equivalents

The following table sets forth our Cash & Cash Equivalents as of December 31, 2021, and September 30, 2022.

Cash & Cash Equivalents (€ in million)	December 31, 2021	September 30, 2022	% change
Partnerships (Operations in Turkey and Argentina)	9.6	14.4	51.0%
All other Operating Entities (with revenue contracts) & HQ	97.7	84.4	-13.7%
Total	107.3	98.8	-8.0%

Cash and cash equivalents at the end of the 9M22 period decreased by €8.6 million vs. FY21.

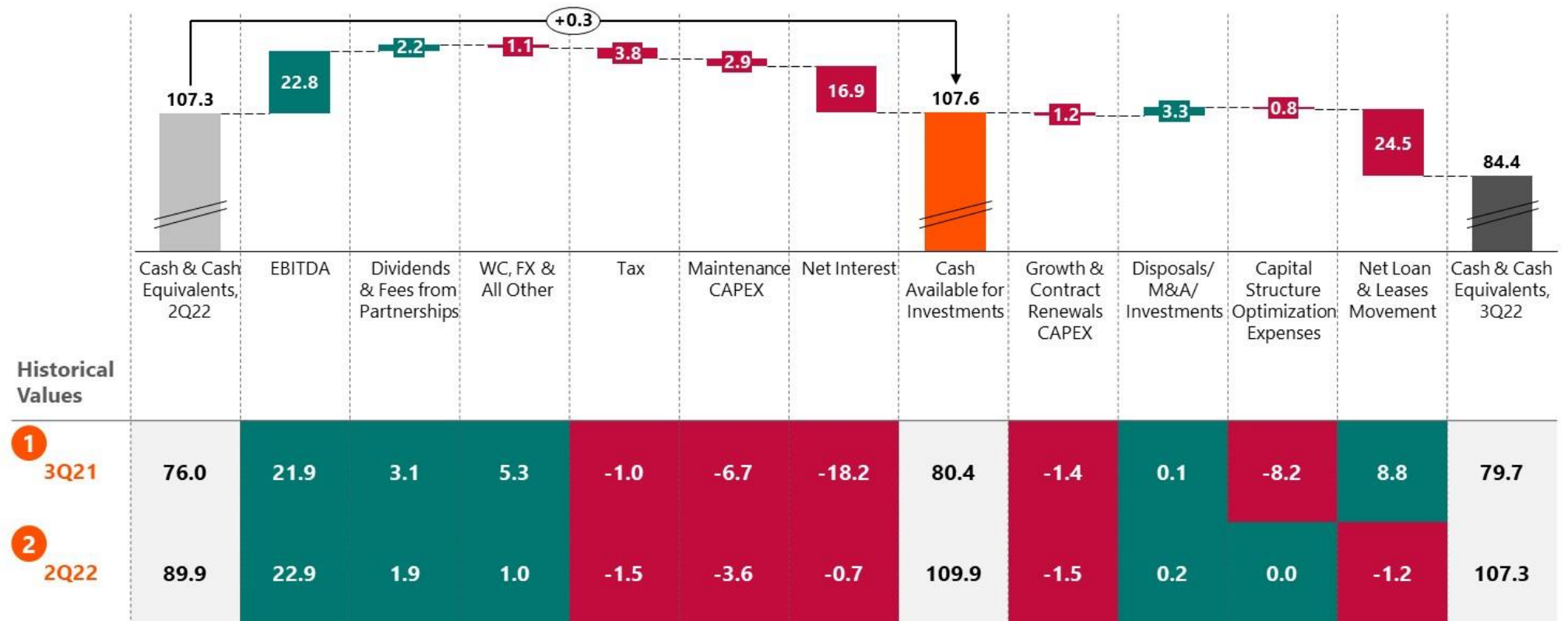
Pro Forma Results of Operations of the INTRALOT Group

Pro-Forma Cash Flow – Shareholders of the Parent View (1/2)

The following chart portrays the Shareholders of the Parent View of the Cash Flow Movement (Pro-Forma) for the three-month period ended September 30, 2022, as well as the historical values of 3Q21 and 2Q22.

Pro-Forma Cash Flow – Shareholders of the Parent View, 3Q22

€m



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

Shareholders of the Parent View	YoY Variances Explained 1	QoQ Variances Explained 2
EBITDA	<ul style="list-style-type: none"> EBITDA positive variance driven primarily by better performance across most regions coupled with COVID-19 impact in 3Q21, offsetting the lower contribution from US due to sales bump in the prior year 	<ul style="list-style-type: none"> On par with prior Q
Net Dividends, and Fees from Partnerships	<ul style="list-style-type: none"> Negative variance mainly due to dividend distribution paid to partner in Malta 	<ul style="list-style-type: none"> On par with prior Q
WC, FX & All Other	<ul style="list-style-type: none"> Negative variance vs. 3Q21 reflects mainly leftover payments in Malta following the end of the contract along with unfavorable timing of receivables 	<ul style="list-style-type: none"> WC swing vs. 2Q22 driven USD FX movement
Tax	<ul style="list-style-type: none"> Higher tax paid mainly due to improved performance vs. prior year 	<ul style="list-style-type: none"> Negative variance due to timing
Maintenance CAPEX	<ul style="list-style-type: none"> Lower Maintenance CAPEX outflows vs. previous year, mainly towards the US 	<ul style="list-style-type: none"> Same driver as described in YoY variance
Net Interest	<ul style="list-style-type: none"> Lower interest payments, as a result of the recent debt restructuring 	<ul style="list-style-type: none"> Variance stemming from coupon payments in 3Q22
Growth & Contract Renewals CAPEX	<ul style="list-style-type: none"> At similar levels with prior year 	<ul style="list-style-type: none"> At similar levels with prior Q
Disposals/ M&A/ Investments	<ul style="list-style-type: none"> Positive impact from share capital increase after the repurchase of US minority shares 	<ul style="list-style-type: none"> Same driver as described in YoY variance
Capital Structure Optimization Expenses	<ul style="list-style-type: none"> Outflows in 3Q21 	<ul style="list-style-type: none"> Outflows in 3Q22
Net Loan & Leases Movement	<ul style="list-style-type: none"> Negative swing following US Debt refinancing in August '22 and inflow from additional notes in 3Q21 	<ul style="list-style-type: none"> Outflows in 3Q22 related to US Debt refinancing

Pro-Forma Cash Flow – Shareholders of the Parent View (2/2)

The following chart portrays the Shareholders of the Parent View of the Cash Flow Movement (Pro-Forma) for the last twelve months ended September 30, 2022, as well as the historical values of LTM 2Q22 and LTM 1Q22.

Pro-Forma Cash Flow – Shareholders of the Parent View, LTM 3Q22

