financial instruments issued by Intralot S.A., which included (i) a share capital increase of EUR 135 million completed in November 2023; (ii) the Issuance of a EUR 130 million in common bonds in February 2024; and (iii) a EUR 100 million syndicated Ioan agreement with five Greek banks, which funded on 28 March 2024. The Group fully repaid the remaining balance of the Facility B Notes of EUR 99.6 million on 9 April 2024. This refinancing exercise extended and distributed the Group's debt maturities, as the EUR 100 million syndicated Ioan will mature 30 June 2025, while the EUR 130 million in common bonds were issued with a five-year term maturing in February 2029.

In March 2024, the Group announced that it has also extended the existing debt of the U.S. subgroup by one year to 27 July 2026 with no change to the existing lending terms. As of F2023, the U.S. subgroup's debt included an amortising term loan with an outstanding balance of about EUR 194 million equivalent and an undrawn USD 50 million revolving credit facility (RCF) limit.

The share capital increase and the refinancing activities have been beneficial in terms of reducing the Group's total debt and diversifying its financing sources and associated maturities. However, there remains two significant loan maturities within the next two to three years, which will continue to pose refinancing risks, albeit to a lesser degree than prior to this most recent refinancing initiative. The Intralot Group's ability to maintain its portfolio of contracts and execute its growth strategy remain imperative to securing future financing as its respective debt maturities approach.

The Group's available liquidity as at F2023 was approximately EUR 158 million, inclusive of EUR 112 million of consolidated cash and cash equivalents, and circa EUR 46 million equivalent available under the U.S. subgroup's undrawn RCF. Morningstar DBRS notes that reported F2023 consolidated cash balances are inclusive of circa EUR 35 million equivalent held in the U.S. subgroup and about EUR 14 million equivalent held in 50.01% owned partnership subsidiaries.

The Intralot Group's consolidated results include the full contribution of its 50.01% stakes in partnership subsidiaries in Turkey and Argentina, which together represented 22% of the Group's consolidated F2023 EBITDA. Due to the materiality of these non-wholly owned subsidiaries, Morningstar DBRS calculates the Group's key credit metrics using a proportionate approach to better reflect this economic relationship. Within the key credit metrics, adjusted proportionate EBITDA is net of EBITDA attributable noncontrolling interests of non-wholly owned subsidiaries, while adjusted cash flow from operations is net of dividends paid to non-controlling interests of non-wholly owned subsidiaries.

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE CONSIDERATIONS

ESG Considerations had a relevant effect on the credit analysis.

Environmental (E) Factors There were no Environmental factor(s) that had a relevant or significant effect on the credit analysis.

Social (S) Factors

The following Social factor had a relevant effect on the credit analysis:

Morningstar DBRS considers the Social Impact of Products and Services as a relevant Social factor. The Intralot Group is exposed to potential regulatory risk resulting from its exposure to the gambling industry, which is subject to an increasing rate of safeguards and regulation to uphold responsible gaming practices and to protect vulnerable populations. The Group's main revenues comes from the U.S. and are concentrated among a relatively few number of contracts. Each U.S. state is free to regulate and prohibit gambling practices in light of their social impact, and potential new regulations aiming at reducing or prohibiting gambling could have an impact on the Intralot Group's financial position. Morningstar DBRS considered this factor as Relevant (as opposed to Significant) due to the nature of the Intralot Group's technology services, which facilitate its customers' regulatory reporting obligations, the Group's industry certifications, including the World Lottery Association Responsible Gaming Framework Certification, and the Group's

operating track record of over 30 years in the sector.

Governance (G) Factors

There were no Governance factor(s) that had a relevant or significant effect on the credit analysis.

A description of how Morningstar DBRS considers ESG factors within the Morningstar DBRS analytical framework can be found in the Morningstar DBRS Criteria: Approach to Environmental, Social, and Governance Risk Factors in Credit Ratings (23 January 2024) https://dbrs.morningstar.com/research/427030

BUSINESS RISK ASSESSMENT (BRA) AND FINANCIAL RISK ASSESSMENT (FRA)

(A) Weighting of BRA Factors In the analysis of Intralot S.A., the relative weighting of the BRA factors was approximately equal.

(B) Weighting of FRA Factors In the analysis of Intralot S.A., the relative weighting of the FRA factors was approximately equal.

(C) Weighting of the BRA and the FRA In the analysis of Intralot S.A., the BRA and the FRA carry approximately equal weight.

Notes:

All figures are in Euros unless otherwise noted.

Morningstar DBRS applied the following principal methodology:

Global Methodology for Rating Companies in the Services Industry (20 February 2024) https://dbrs.morningstar.com/research/428396

The following methodology has also been applied:

DBRS Morningstar Global Criteria: Rating Corporate Holding Companies and Parent/Subsidiary Rating Relationships (27 September 2023) - https://dbrs.morningstar.com/research/421119

The credit rating methodologies used in the analysis of this transaction can be found at: https://dbrs.morningstar.com/about/ methodologies.

A description of how Morningstar DBRS analyses corporate finance transactions and how the methodologies are collectively applied can be found at: https://dbrs.morningstar.com/research/397223.

The primary sources of information used for this credit rating include the Intralot Group's audited consolidated financial statements and annual reports from 2018 to 2023, detailed business plans and supporting information obtained from Intralot Management, documentation and legal agreements relating to the debt instruments of the Intralot Group, public information and enclosures available on the Intralot Group's website, and other information and correspondence provided by the Intralot Group to Morningstar DBRS as of 4 April 2024. Morningstar DBRS considers the information available to it for the purposes of providing this credit rating to be of satisfactory quality.

This credit rating concerns a newly rated issuer. This is the first Morningstar DBRS credit rating on this issuer.

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