

***intralot***

ANNUAL REPORT **2021**







# **intralot**



**INTRALOT Group**

**ANNUAL FINANCIAL REPORT**  
**(based on the Article 4 of L.3556/2007)**  
**FOR THE PERIOD ENDED December 31, 2021**  
**ACCORDING TO**  
**INTERNATIONAL FINANCIAL REPORTING STANDARDS**  
**(IFRS)**

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**Representation of the Members of the Board of Directors  
(according to article 4 par. 2 of L.3556/2007)**

The

1. Sokratis P. Kokkalis, Chairman of the Board of Directors and Group CEO
2. Chrysostomos D. Sfatos, Member of the Board of Directors and Deputy Group CEO
3. Ioannis K. Tsoumas, Member of the Board of Directors

**CERTIFY THAT**

As far as we know:

- a. The enclosed financial statements of the company "INTRALOT S.A" for the year 1 January 2021 to 31 December 2021, drawn up in accordance with the applicable accounting standards, reflect in true manner the assets and liabilities, equity and results of the Company and the companies included in the consolidated financial statements taken as a total.
- b. The attached Board of Directors' annual report truly presents the course, the performance and the position of the Company and the companies included in the consolidated financial statements taken as a total, including the description of the most important risks and uncertainties they are facing.
- c. The attached Financial Statements are those approved by the Board of Directors of "INTRALOT S.A." on April 8, 2022 and have been published to the electronic address [www.intralot.com](http://www.intralot.com).

**Peania, April 8, 2022**

The designees

Sokratis P. Kokkalis

Chrysostomos D. Sfatos

Ioannis K. Tsoumas

Chairman of the Board of  
Directors and Group CEO

Member of the Board and  
Deputy Group CEO

Member of the Board



**REPORT OF THE BOARD OF DIRECTORS-INTRALOT GROUP  
TO THE ANNUAL GENERAL ASSEMBLY OF THE SHAREHOLDERS FOR THE FISCAL YEAR  
1/1/2021-31/12/2021**

Dear Shareholders,

In the past year INTRALOT succeeded in one of its key priorities, the optimization of its Capital Structure and the deleveraging of its balance sheet through negotiations with Noteholders of 2021 and 2024 Notes. The completion of this process in August of 2021 ended with two major achievements, the refinancing of its Notes due September 2021 extending substantially the maturity, while at the same time leading to a material relief of Group's debt liabilities, which have been reduced by €163 million. These targets were succeeded via two Exchange Offers, a debt-to-debt exchange in which US based Intralot Inc. issued new Notes due September 2025 in exchange of the old ones due September 2021 issued by Intralot Capital Luxembourg with a discount of 18% to the original issue's nominal value and a partial debt-to-equity of 2024 Notes with a minority participation of 2024 Noteholders in the share capital of Intralot US Securities BV (indirect parent of Intralot Inc. US). This new capital structure significantly improves the position of the Group, subsequently depicted also in the upgrade of INTRALOT's Corporate Family Rating (CFR) by rating agencies post transaction, allowing the Group to take advantage of new opportunities, while continuing its strategy of placing emphasis on strategic developed markets. Furthermore, the entry of significant institutional investors in the share capital of the parent of our US subsidiary enhances this company's capabilities in a very promising and competitive market.

Previous year, 2021 was also marked by the rebound of INTRALOT's business from COVID-19 pandemic, which disrupted severely the majority of business activities including, sports, leisure and entertainment in 2020. We saw our activities returning gradually back to normal in all areas of the world mainly in Australia, Malta, Morocco and South America after strict and lengthy lockdowns and the absence of sporting events during the pandemic period. What we also noticed, however was a shift towards more traditional lottery products that supported the performance of our business especially in the US. The strong results in the Lottery areas were further supported by the performance of our new Sports Betting projects in that market based on INTRALOT's novel Orion Sports Betting platform.

Operationally, we continued our cost optimization program across the Group, that also supported substantially our financial results, depicted in a healthy operational performance for 2021.

Consistent with our commitment for focus and disengagement from non-core markets, we completed the sale of our 20% stake in Intralot de Peru SAC, securing at the same time a three-year extension of our current contract with Intralot de Peru SAC through 2024, to continue to provide our gaming technology and support services. In addition to this, we completed the sale of the 80% of our voting capital in Intralot do Brasil.

Commercially, we extended key contracts such as OPAP S.A., the leading Greek gaming operator, for one more year until July 2024.

As we look towards the future, we would like to thank all of our stakeholders for their trust in our Group and to reassure them that our unwavering commitment to ethics, transparency, integrity, and responsible gaming will continue to guide our efforts to achieve sustainable and responsible growth.

Regarding the financial results of INTRALOT Group for 2021, on a continuing-basis, revenue recorded an increase of 20,0%, while operating performance as measured via our earnings before interest, tax, depreciation and amortization (EBITDA), amounted to €110,4 million, exhibiting an increase of 66,9%. The main drivers behind our top-line performance can be attributed to the strong organic growth that our key markets experienced, along with the faded impact of COVID-19. US operations remain the dominant force behind our revenue growth, signaling that our Group is well positioned to capitalize on its existing US contracts. Strong growth has been achieved also by our operations in Malta, Argentina, Australia, Turkey and Morocco, regions that we believe are close to full recovery from the COVID-19 disruptions. From an EBITDA performance perspective, we managed to sustain our cost containment initiatives and further boost our operating profitability margins. On top of the above, our earnings before taxes (EBT) captured a one-off gain from the successful optimization of our capital structure amounted to €88,5 million. As regards to the parent company results, turnover decreased by 8,1% to €43,8 million in 2021, while earnings after tax amounted to €27,8 million, from €-40,5 million in 2020.

In 2021, group Operating Cash-flow from total operations posted a increase and stood at €107,6 million, versus €44,5 million in 2020. Excluding the operating cash-flow contribution of our discontinued operations (mainly Bulgaria and Brazil), the cash-flow from operating activities is higher by €64,8m vs. 2020 and is largely driven by the higher recorded EBITDA y-o-y from continuing operations (€+44,2 million) and the positive variance in Income Tax flows (€+18,3 million), attributed to Income Tax returns during the current period vs. payments in 2020.

Net Debt, as of December 31st, 2021, stood at €497,2 million, decreased by €153,9 million compared to December 31st, 2020 (€651,1 million). The Net Debt movement was impacted primarily by the successful deleverage (€-162,5 million) following the completion of the agreement with our noteholders for balance sheet optimization purposes, the normal course of business (€-33,3 million), the Net Investments (€-10,3 million, referring mainly to Intralot de Peru SAC sale impact), as well as an income tax return in the first quarter of 2021 related to the Parent Company tax audit payments of the previous periods (€-5,2 million). The Net Debt decrease was only partially offset by the payments towards the Capital Structure Optimization (€+33,5 million, incl. the redemption fees recorded in interest and similar charges paid), other debt related movements (€+16,0 million), and the investments towards the growth of our business, mainly for R&D and our projects in the US and Croatia (€+7,8 million).



## WHO WE ARE

### Company Profile

INTRALOT is a public listed company established in 1992, with €0,4 billion turnover and a global workforce of approximately 1.800 employees in 2021. Being a technology-driven corporation uniquely positioned to offer to lottery and gaming organizations across geographies market-proven flexible, reliable and secure gaming products and services, the Company is a leading gaming solutions supplier and operator, active in 41 regulated jurisdictions around the globe. Currently, INTRALOT operates approximately 300.000 of its proprietary terminals worldwide.

Based on its strategic approach **"i-shapes the future"**, INTRALOT is committed to Modernize Lotteries in a Digital World by delivering innovative lottery and sports betting solutions, shaping the future of gaming. The company invests in developing next-generation products, focused on players' experience, the trends of the world-wide gaming ecosystem, and the efficiency of its operators to provide engaging responsible entertainment for their players through all distribution channels and across all verticals (Lottery, Betting, Interactive, VLTs), while driving its customers' growth for higher contribution to good causes in their communities.

As a member of the UN Global Compact, INTRALOT is a global corporate citizen committed to sustainable development and is an active proponent of the principles of responsible gaming, being awarded with the WLA Responsible Gaming Framework Certificate.

The Company maintains the highest industry certifications on quality and safety management systems. It is the first vendor in the gaming sector certified in 2008 with the WLA SCS:2016 (Security Control Standard) and it has been certified according to ISO 27001:2013 for its Information Security Management Systems. Both certifications cover INTRALOT Headquarters and 23 additional subsidiaries' operations around the world. Furthermore, INTRALOT has been certified according to ISO 9001:2015 (Quality Management Systems), ISO 14001:2015 (Environmental Management Systems), ISO 20000:2018 (IT Service Management Systems), ISO 29993:2017 (Learning Services Outside Formal Education) and ISO 37001:2016 (Anti-Bribery Management Systems).

INTRALOT works with many external stakeholders among them the major international industry associations. Each entity is a valued partner that supports the company's efforts to contribute decisively to the future developments of the gaming market. Specifically, INTRALOT is an Associate Member of the World Lottery Association, an Associate Member of the European Lotteries, a Level I partner of the North American Association of State & Provincial Lotteries (NASPL), a Member and Gold Sponsor of the Asia Pacific Lottery Association (APLA), a Member and Silver Sponsor of the Gaming Standards Association and an Associate Member of the Global Lottery Monitoring System (GLMS), the global lottery alliance against sports competition manipulation.

## Recent Company Developments

### Projects / Significant Events

On January 14, 2021 INTRALOT announced a binding lock-up agreement with key noteholders in support of the proposed capital structure optimization transactions that will address its upcoming maturities and materially deleverage its balance sheet.

Also, on January 14, 2021 the company announced that OPAP exercised its two-year extension option of the contract with INTRALOT for the continuation of the collaboration of the two companies in the field of numerical lotteries and services from August 2021 to July 2023.

On January 22, 2021 INTRALOT announced the extension of the deadline for accession to lock-up agreement with the noteholders.

On February 2, 2021 INTRALOT with a new press release provided information regarding the lock-up agreement, announcing the agreement with 82,62% of the noteholders, and stating that it will provide new information regarding the implementation of the proposed transaction.

On March 23, 2021 INTRALOT announced the amendment of the contract of INTRALOT Maroc, a subsidiary of the INTRALOT Group acting as games operator in Morocco, with La Marocaine Des Jeux et des Sports (MDJS), a state lottery offering sports betting and other games of chance in Morocco, which was signed in June 2019. According to this amendment, counterparties agree to reduce the duration of the contract, which was initially effective for an 8-year term, ending 31.12.2022. This amendment was designed to enhance resilience in the context of the COVID-19 pandemic repercussions on the overall lottery market. INTRALOT Maroc, which has been a successful partner of MDJS since 2010, will continue to support MDJS with the overall management and operation of its lottery, sports betting, and other games activities.

On April 14, 2021 INTRALOT announced that it completed the sale of 500.000 own shares, or 0,32% of its total share capital, with an average selling price of €0,17 per share and a total value of €85.000,00. INTRALOT after this transaction holds 8.700.033 own shares, which represent 5,54% of its total share capital.

On April 20, 2021 INTRALOT informed the investing community that after the completion of the tax compliance audit of INTRALOT for the fiscal year 2018 carried out by the Independent Certified Auditors-Accountants, pursuant to article 65A of the Law 4174/2013, a Tax Compliance Report has been issued with unqualified opinion.

On May 26, 2021 INTRALOT announced that its subsidiary in The Netherlands INTRALOT BENELUX BV, in co-operation with the Nederlandse Loterij, completed the transition of the operator's full gaming portfolio enabled by the innovative LotosX platform. Lottery Draw-Based games, Scratch Cards and Passives, as well as the back-office operations are now live in The Netherlands through LotosX. Additionally, INTRALOT has rolled out 4.300 Photon terminals along with its robust signage solution



empowering further the retail channel of Nederlandse Loterij's Lottery games and Sports Betting offering.

On June 1, 2021 INTRALOT announced that in the period from 12.05.2021 to 31.05.2021 it proceeded with a sale of 275.097 own shares, or 0,18% of its total share capital, with an average selling price of €0,1505 per share and a total value of €41.392,04. Therefore, INTRALOT holds 8.424.936 own shares, which represent 5,37% of its total share capital.

On June 28, 2021 INTRALOT provided an update information regarding the lock-up agreement, announcing the conclusion of a contract with the majority participating noteholders to amend specific terms of the lock-up agreement, including confirmation for the issuance of new secured notes (SSNs).

On July 1, 2021 INTRALOT provided an update on the Lock-up agreement and exchange offer process.

On July 27, 2021 INTRALOT notified the approval from Athens Stock Exchange of the cancellation 4.700.000 own registered shares with the amendment of art 5 of the Company's Articles of Association. As a result of the cancellation, from August 2, 2021 the Company's share capital amounts to €45.678.516,30 and its divided into 152.261.721 common registered shares, with a nominal value of €0.30 each. Therefore, INTRALOT holds 3.724.936 own shares, which represent 2,45% of its total share capital.

On July 30, 2021 INTRALOT announced the expiration of the Exchange Offers at 11:59 pm N.Y. time on 29 July 2021.

In relation to the 2021 Exchange Offer, as 98,94% of the aggregate principal amount of 2021 Notes outstanding (excluding any 2021 Notes held by Intralot Capital Luxembourg S.A. and its affiliates) are validly tendered by holders for exchange in the 2021 Exchange Offer, the minimum acceptance condition is met as at the expiration deadline.

In relation to the 2024 Exchange Offer, as €118.240.000 of the aggregate principal amount of 2024 Notes outstanding (excluding any 2024 Notes held by Intralot Global Holdings B.V. and its affiliates) are validly tendered by holders in the 2024 Notes Exchange Offer, the minimum acceptance condition is met as at the expiration deadline.

On August 3, 2021 INTRALOT announced that on 2 August 2021 the United States District Court for the Southern District of New York denied the application filed on 29 July 2021 by certain funds that claim to hold 3,5% to 4,0% of the 2024 Notes for a temporary restraining order in relation to the Exchange Offers.

On August 5, 2021 INTRALOT announced the completion of the agreement with Noteholders, with the issuance of new notes and total deleverage of €163 million. Specifically:

1. On August 3, 2021, New Notes with a nominal value of \$242.111.911 due September 2025 were issued by US based Intralot, Inc., in exchange for existing Notes maturing in September 2021 with nominal value of €247.471.724,07 (corresponding to an 18% discount), which were then cancelled.

2. 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 2024 Notes with a nominal value of €118.240.000 who participated in the exchange. Following the above procedure, these Notes came to the possession of Intralot Global Holdings B.V. Intralot retains control of 65,73% of Intralot, Inc. and the management of the company.

On December 2, 2021 INTRALOT announced the extension of cooperation with OPAP S.A., the leading Greek gaming operator, for one additional year, from 31st of July 2023 to 31st of July 2024 in the field of numerical lottery products and services.

### **M&A Activity**

On February 8, 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 SAC, an associate of INTRALOT Group, which is consolidated through the Equity method, for a cash consideration of US\$21 million (twenty-one million US\$). In addition, the Company has signed a three-year extension of its current contract with Intralot de Peru SAC through 2024, to continue to provide its gaming technology and support services.

On February 24, 2021 INTRALOT informed the investors community about the completion of the sale of its entire stake of 20% in Intralot de Peru SAC to Nexus Group, with the net cash consideration, after taxes and transaction expenses, amounting to USD 16,2 million.

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 contributed 0,5% of Intralot Group EBITDA in 2020.

On June 18, 2021 INTRALOT informed the investors community about the completion of the sale of its entire stake of 80% in Intralot do Brazil to SAGA, with the net cash consideration, amounting to €700.000 (seven hundred thousand EUR).

### **Organizational Changes**

On January 19, 2021 INTRALOT announced the recomposition of its Board of Directors into a Body as follows:

1. Sokratis P. Kokkalis, Chairman and CEO, Executive member
2. Constantinos G. Antonopoulos, Vice- Chairman, Non-Executive member
3. Chrysostomos D. Sfatos, Deputy CEO, Executive member
4. Nikolaos I. Nikolakopoulos, Deputy CEO, Executive member
5. Fotis L. Konstantellos, Deputy CEO, Executive member



6. Alexandros-Stergios N. Manos, Non-Executive member
7. Ioannis K. Tsoumas, Independent Non-Executive member
8. Anastasios M. Tsoufis, Independent Non-Executive member
9. Ioannis P. Tsoukaridis, Independent Non-Executive member

The above recomposition of the Board of Directors took place following the resignation of Mr. Christos Dimitriadis from his duties as a non-executive member of the Board of Directors. The other members of the Board of Directors continue the management and representation of the company without the replacement of the resigned member according to par. 2 of article 82 of Law 4548/2018 and in accordance with the relevant provision of the Company's Articles of Association. It is noted that the provisions of article 3 of Law 3016/2002 regarding the number of non-executive and independent members of the Board of Directors are still being met. The Board of Directors of INTRALOT has been elected by the Extraordinary General Meeting of the Shareholders with a six-year term, as from 17.12.2020.

On June 30, 2021 INTRALOT announced the election of its new Board of Directors, according to the decisions of the Ordinary General Meeting dated 29th of June 2021, and formed into a body as follows:

1. Sokratis P. Kokkalis, Chairman and CEO, Executive member
2. Constantinos G. Antonopoulos, Vice- Chairman, Non-Executive member
3. Chrysostomos D. Sfatos, Deputy CEO, Executive member
4. Nikolaos I. Nikolakopoulos, Deputy CEO, Executive member
5. Fotis L. Konstantellos, Deputy CEO, Executive member
6. Alexandros-Stergios N. Manos, Non-Executive member
7. Ioannis K. Tsoumas, Independent Non-Executive member
8. Adamantini K. Lazari, Independent Non-Executive member
9. Dionysia D. Xirokosta, Independent Non-Executive member.

Also, based on the decision of the Ordinary General Meeting dated 29.06.2021, it was appointed the Audit Committee to be consist of three (3) Independent Non-Executive Members, Messrs. Ioannis Tsoumas son of Konstantinos, Adamantini Lazari daughter of Konstantinos, and Dionysia Xirokosta daughter of Dimitrios. The Audit Committee of the Company, during its meeting dated 29.06.2021 was formed into a body as follows:

1. Ioannis Tsoumas son of Konstantinos, Chairman of the Audit Committee, Independent Non-Executive Member of the Board,
2. Adamantini Lazari daughter of Konstantinos, Member of the Audit Committee, Independent Non-Executive Member of the Board,
3. Dionysia Xirokosta daughter of Dimitrios, Member of the Audit Committee, Independent Non-Executive member of the Board.

On July 12, 2021 INTRALOT notified that an out of stock market transfer of common registered shares amounts to 20,26% of the total voting rights of the company was made, from Mr. Sokratis P. Kokkalis

to "ALPHACHOICE SERVICES LIMITED", company 100% controlled by "K-GENERAL INVESTMENTS & SYSTEMS SINGLE MEMBER HOLDINGS SOCIETE ANONYME", company 100% controlled by Mr. Sokratis P. Kokkalis. Therefore, the percentage of the direct voting rights of the company "ALPHACHOICE SERVICES LIMITED" on INTRALOT's shares, amounts to 20,26% of the total share capital and respectively the percentage of the indirect voting rights of Mr. Sokratis P. Kokkalis amounts to 20,26%.

#### **Significant Events after the end of the FY21 - until the date of the Financial Statements release**

On March 3, 2022, INTRALOT notified that on March 1, 2022 «ALPHACHOICE SERVICES LIMITED» which is 100% controlled by the Société Anonyme company «K-GENERAL INVESTMENTS AND SYSTEMS SINGLE MEMBER HOLDINGS SOCIÉTÉ ANONYME» (distinctive title "K-SYSTEMS"), sole shareholder of which is Mr. Sokratis P. Kokkalis, acquired 7.323.920 common registered shares of INTRALOT, with voting rights. Following that, the percentage of the direct voting rights of the company "ALPHACHOICE SERVICES LIMITED" on INTRALOT's shares amounts to 25,695% of the total voting rights of the company (i.e. 39.123.920 voting rights) against a previous percentage 20,885% of the total voting rights of the company (i.e. 31.800.000 voting rights), while the percentage of the indirect voting rights of Mr. Sokratis P. Kokkalis on INTRALOT's shares amounts to 25,695% of the total voting rights of the company (i.e. 39.123.920 indirect voting rights) against a previous percentage 20,885% of the total voting rights of the company (i.e. 31.800.000 indirect voting rights).

Also, on March 3, 2022 INTRALOT notified that the 7.323.920 Company's common registered shares, with voting rights, which were acquired by "ALPHACHOICE SERVICES LTD", legal entity which is affiliated with and controlled by Mr. Sokratis P. Kokkalis, Chairman of the Board of Directors and CEO of INTRALOT, were acquired with a total value of 3.442.242,40 Euro.

On March 17, 2022 INTRALOT announced the extension of its current contract of INTRALOT Maroc, a subsidiary of the INTRALOT Group acting as games operator in Morocco, with La Marocaine Des Jeux et des Sports (MDJS), a state lottery offering sports betting and other games of chance in Morocco, for one additional year; the contract is now due to expire on 31.12.2023.

On April 5, 2022 INTRALOT announced the extension of its current contract, with Magnum Corporation Sdn Bhd, a gaming operator pioneer in Malaysia, for another two (2) years; the contract is now due to expire on 30.06.2024. The current agreement concerns the support of INTRALOT's core operating system LOTOS™ O/S including the games software, the On-line Gaming System, and its new generation terminals Photon.

On April 6, 2022 INTRALOT announced that its U.S. subsidiary, INTRALOT, Inc., has signed a 5-year extension of its contract with the Wyoming Lottery Corporation. INTRALOT, Inc. will continue to provide its lottery operating system and services for the operation of the Wyoming Lottery through August of 2029.



### **Coronavirus (COVID-19) Pandemic Impact**

Despite the serious challenges and uncertainty surrounding COVID-19, 2021 ends on a generally positive note, as most countries are starting to easing their restrictions signalling that a return to normalcy may not be far away.

During this phenomenal crisis for a second consecutive year, our top priority was to secure the health and safety of our team by utilizing all available state measures, and all available technological advancements for enabling remote work. We are extremely proud of the way our employees responded and handled all operational tasks without any discounts on the quality of the services delivered to our customers.

Although gaming business faces challenges related to COVID-19, according to H2 Gambling Capital - Global Summary Jan '22, the total global GGR for 2021 had increased by 10,81% compared to a year ago.

Based on the current performance of our operations and the actions undertaken by most of our subsidiaries, the EBITDA impact from the pandemic in 2021 is estimated in the vicinity of €3 million.

The extent to which our business will be affected by COVID-19 in the coming quarters will largely depend on future developments of the pandemic.

### **Economic Conditions**

The energy crisis of 2021 fuelled by the war in Ukraine, shapes a new uncharted era for the global economic outlook. In addition to the deep economic impact of the COVID-19 pandemic, supply chain disruptions, inflationary pressures and geopolitical tension around the world are expected to play a pivotal role on the global business landscape.

Our Group is engaged in the provision of gaming technology related services in Americas, Oceania, Turkey, and Western Europe, and has no exposure to any direct risks in terms of operations or dependency from suppliers in Ukraine and Russia. The nature of our worldwide operations, labour-intensive driven, is not affected by the volatility of commodity prices including energy.

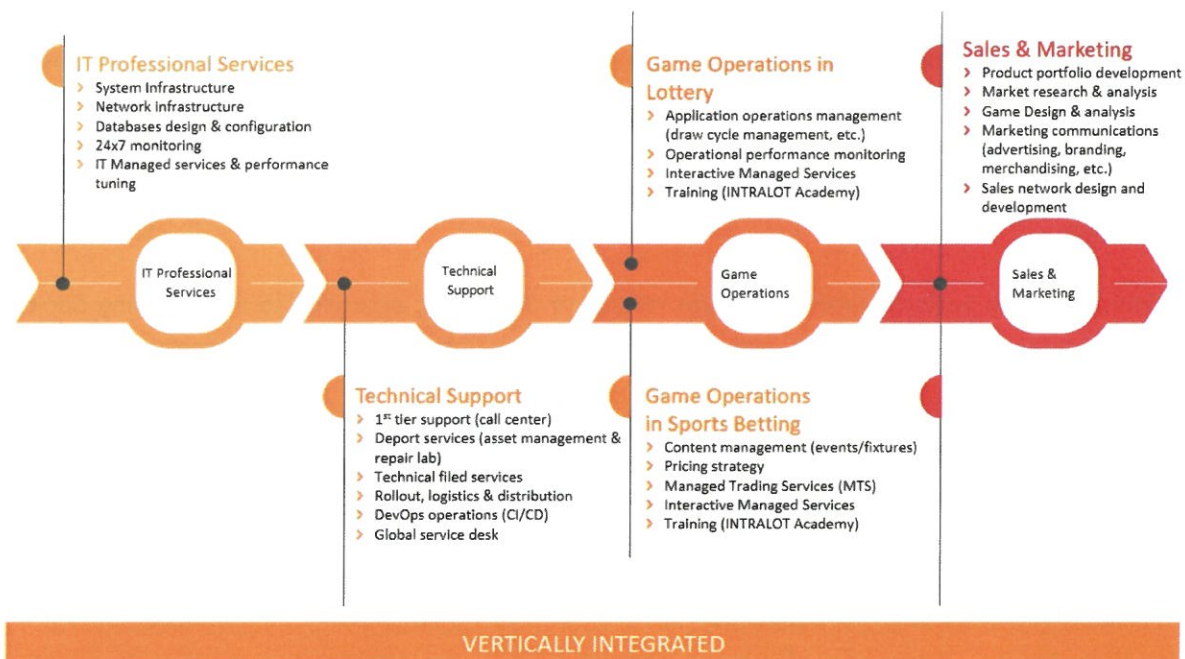
The Management of the Company monitors the geopolitical and economic developments on a constant basis and is ready to take all the necessary measures for protecting its operations.

### **Business Activities**

INTRALOT is a global leading supplier of integrated gaming systems and services, being well diversified geographically and with a balanced presence in both developed and developing markets as well as a leading market position in licensed gaming in most of the highly regulated markets in which we operate. INTRALOT develops and delivers technology-based products and services for the worldwide gaming, lottery, sports betting and digital gaming industries. We report our business activities in three business

divisions – Technology and support services, management contracts and Licensed operations – representing our different contractual activities.

### Value chain of gaming market



The Group, under its contracts and licenses, functions both as a Business to Consumer (“B2C”) operator, managing frontline customer facing activities, as well as a Business to Business (“B2B”)/Business to Government (“B2G”) operator, managing the backoffice and support activities of the value chain for other “B2C” operators, which may be public and/or state owned. In practice, INTRALOT, under its “B2B/B2G” operator hat, provides hardware and software solutions as well as operational support services to “B2C” operators. Spanning end to end the gaming value chain offers INTRALOT a distinctive advantage as it has helped the Group to transfer knowledge and best practices from its “B2C” to “B2B/B2G” operations and vice versa.

### Contractual Arrangements

Typically, “B2B/B2G” and “B2C” engagements are carried out under three types of contractual arrangements, namely technology contracts, management contracts and licensed operations.

#### *Technology and Support Services Contracts*

Our technology and support activities are primarily comprised of the supply of information technology software, network capabilities and other types of technological support. While we provide the technology, the operations are managed by another entity, commonly a state or state-licensed gaming operator. Our contracts in this segment typically include the provision of equipment, software and maintenance and support services to lottery and gaming organizations pursuant to long-term contracts, which provide us with stable and recurring revenues. These contracts also include the design,



development and implementation of custom-made software for the particular products and services necessary in each jurisdiction and operation. We currently manage 50 individual technology and support services contracts across 37 jurisdictions. We are a global market leader in gaming IT, and we believe our technological expertise gives us a competitive advantage worldwide.

Under our technology and support services contracts, we typically earn a fee from the licensed operators, which are state or state-licensed gaming organizations. This fee is typically based on either (i) a pre-determined fixed percentage of customer sales (amounts wagered by players) or (ii) a fixed payment over the duration of the contract in respect of multi-year contracts. In addition, we occasionally sell technology equipment and relevant services to other lottery and gaming operators.

Revenue under our technology and support services contracts is not subject to payout costs for player winnings.

#### *Management Contracts*

Our management contracts activities include primarily the management of all aspects of a gaming organization. In addition to the provision of services included under our technology and support services activity described above, we manage day-to-day operations, marketing services, sales network and risk management/odds setting for sports betting on behalf of the relevant licensed operator. Under these contracts, the customer (who is the license holder of the gaming/lottery operation) typically retains responsibility for certain frontline tasks, as well as the management of retailers, cash management and game approvals in addition to oversight and regulatory control. We currently operate two (2) management contracts in two (2) jurisdictions through two (2) subsidiaries. For the case of the newly established United States Sports Betting revenue stream, this is classified under the management contracts category for the depiction of the revenue and revenue net of payout, but as there are not separate contracts for the Sports Betting line (i.e. they are amendments of the existing Lottery contracts), the contract count presented does not include them as separate contracts.

We typically earn a fee from the licensed operator under our management contracts based on a fixed percentage of wagers. Revenue under our management contracts are not subject to payout costs for player winnings.

#### *Licensed Operations*

In our licensed operations activities, we are responsible for all aspects of a gaming operation, including the selection and provision of technology and its ongoing support, as well as the management of the operations. In addition, because we are typically the direct license holder, we are also responsible for our relationship with the local regulators. We currently operate under two (2) individual licenses through a combination of wholly-and partially-owned subsidiaries and joint ventures, across two (2) jurisdictions. We operate through retail locations and online channels.

The revenue we generate from our licensed operations is based on the total amount of money wagered by players on various gaming products before payout for players' winnings.

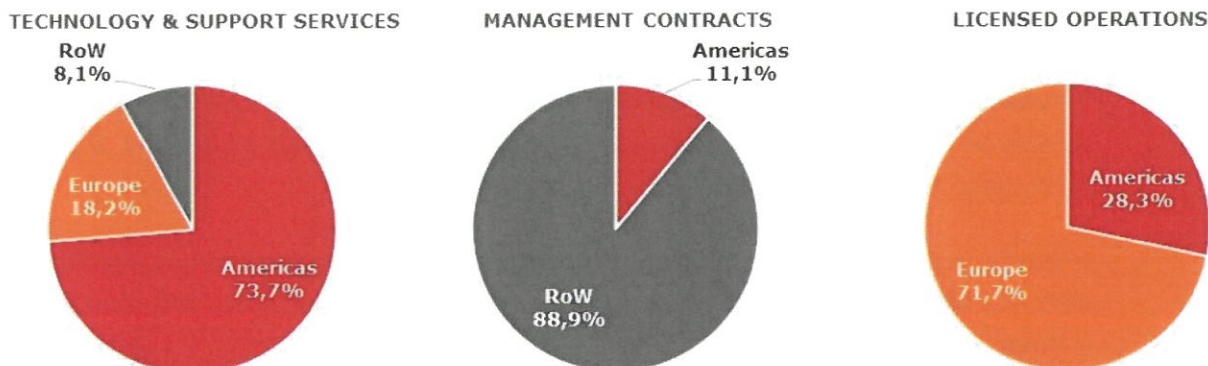
The following table summarizes the principal products and services provided in each of our business activities:

	<b>Technology and Support Services Contracts</b>	<b>Management Contracts</b>	<b>Licensed Operations</b>
<b>Description</b>	Provision of: <ul style="list-style-type: none"> <li>• Central gaming system</li> <li>• Lottery terminals</li> <li>• Telecommunications system/solutions</li> <li>• Related peripheral equipment and software</li> <li>• Implementation services and/or</li> <li>• Maintenance and support services</li> <li>• Monitoring systems for VLT operations</li> </ul>	Management of all the aspects of a gaming operation: <ul style="list-style-type: none"> <li>• Provision of technology solutions as described under "Technology and Support Services Contracts"</li> <li>• Day-to-day operations</li> <li>• Marketing services</li> <li>• Sales network development and management and/or</li> <li>• Risk management/odds setting for sports betting games</li> </ul>	Ownership of a license to operate games including: <ul style="list-style-type: none"> <li>• Management of services as described under "Management Contracts" and/or</li> <li>• Provision of technology solutions as described under "Technology and Support Services Contracts"</li> </ul>
<b>Holder of License</b>	State or state-licensed operator maintains the license	State or state-licensed operator maintains the license	We or our associates maintain the license, which is acquired from a competent local/state government authority
<b>Key Geographies</b>	United States, Greece, Australia, New Zealand, Canada, and Argentina	United States, Turkey	Malta and Argentina
<b>Other Geographies</b>	Croatia, Chile, Netherlands, Ireland, Germany, Malaysia, Taiwan, Philippines and Peru	Morocco	

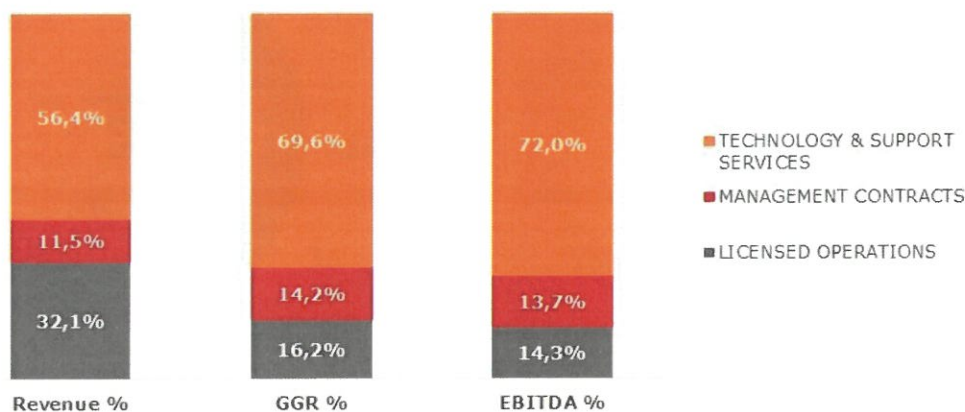


Our key geographies set forth in the table above represented 87,7% of our EBITDA in the twelve months ended December 31, 2021.

The following group of diagrams sets forth our revenue by business activity and region for the twelve months ended December 31, 2021:



The following view presents our percentage of revenue, revenue net of payout, and EBITDA for the twelve months ended December 31, 2021:



### Game Categories

Our services are offered across 5 distinct gaming market products, namely:

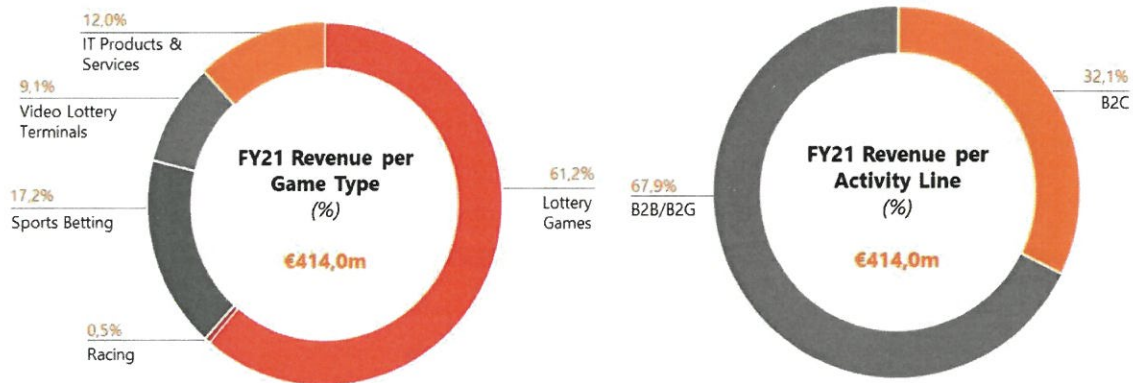
- **Lottery Games**, include the operation, supply of technology services for numerical and traditional lottery games, instant tickets and fast draw games in over 50.000 POS with over 270 games across 34 jurisdictions on five continents in each of our three business activities.
- **IT Products and Services**, include technology and operational services to state and state-licensed organizations. These services are done on a fixed payment basis rather than as a percentage of wagers.

- **Sports Betting**, includes the operation, supply of technology, bookmaking and risk management services for 10 jurisdictions, with a capacity of more than 35.000 pre-game events and 30.000 in play per month and more than 1.000 market types. We believe we are one of the leading sports betting platform and managed trading services providers in the state-sponsored gaming sector in the world. In the case of licensed operations, we primarily operate through agents who bear the cost of operation, while we manage the sports book.

- **Video Lottery Terminals/Amusement with Prizes Machines**, include solutions and services for VLT monitoring, gaming venues and server-based gaming. We operate and/or service over 80.000 gaming machines in five (5) jurisdictions.

- **Racing**, includes technology, content and integrated services for pari-mutuel and fixed odds race betting on horse and dog racing events, as well as virtual games with contracts in three (3) jurisdictions.

The following diagrams sets forth our revenue by type of game and activity for the twelve months ended December 31, 2021:



## INTRALOT Solutions, Products and Services

### Product Strategy

INTRALOT develops and provides an integrated portfolio of innovative gaming technology products and services including: lottery game engine and central transaction processing systems, point-of-sale devices, sports betting game engine and risk management tools, digital gaming systems, instant game management systems, retailer management systems, VLT/AWPs monitoring systems, racing solutions, and interactive games, as well as operational services for our customers and operations.

In 2021, INTRALOT continued the enhancement of its platforms ecosystem architecture and its product portfolio. INTRALOT’s approach in continuous improvement is separated in two distinct categories, namely Product & Technology evolution.

Product evolution includes developing new games and new game features, enhancement of existing games and services and enriching tools and functionalities of the gaming platforms. On the other hand, Technology evolution, part of which was the new microservices architecture initiative, enables us to effectively compete with other technology providers and meet our customer needs for modularity, openness and scalability, quick time to market, easy integration and low maintenance cost.

Product & Technology evolution is affected to a great degree from the company's R&D programs, customer feedback, marketing and general market trends in the gaming industry. Hence, the company's ecosystem of holistic omni-channel solutions, that focus on the players' needs and offer advanced customer experience, has further evolved in 2021 across all the distribution channels (retail, online, mobile) and verticals.

Responding to our customers' challenges and needs, the Company's product strategy is to accelerate growth through INTRALOT's technology and services. INTRALOT solutions play a fundamental role in our customers' ability to deliver products and services that boost revenues while protecting players' and abiding to regulatory requirements. So our product strategy allows INTRALOT and its customers' to achieve:

- Distribution channels' expansion and easy access to play
- Games Portfolio enhancement and quick time to market
- Offering a variety of marketing activities and promotions
- Real time reporting for well informed decisions & actionable insight
- Agile delivery & technology/product evolution
- Operational excellence & business continuity (high availability, scalability, integrity & more)

### **Lottery Solution & Lotos X**

INTRALOT's Lottery Solutions, currently deployed in 35 Lottery operations worldwide, are tailored to suit the needs of regulated Lotteries globally, catering to customers' needs across all channels and are an all-in-one solution that fully covers the needs of managing an online and retail Lottery operation. INTRALOT has become the world leader in Lottery solutions and we can irrevocably state that we offer one of the most powerful and proven lottery systems in the market today. More specifically, the LOTOS ecosystem, has been the bedrock for all our customers, offering flexible, secure, mature, and worldwide-proven solutions. INTRALOT was the first vendor to push well beyond the boundaries of legacy end-to-end lottery platforms and to move toward a highly modular platform and data architecture. This fundamental architectural shift enables the Lottery Solution components to be replaced as needed without affecting other parts of the data architecture and, in this sense allows our solution to fit into any modern technology and data architecture while guaranteeing its expandability and maintainability for the long-run.

The strategic choice of the company was not to significantly change the proven functionalities and features of our Lottery Solution but primarily the architectural, technological and design aspects and principles which would position our revamped solution at the top of the lottery and gaming industry and



which would truly be the “enabling technology” on which the next decade of our business expansion can be based and from which, of course, all our customers would also stand to benefit.

In summary, the Lottery Solution consists of the Lotos X platform, our cutting-edge lottery game platform for centralized end to end management of all lottery products (numerical, passive or instants) including Lotos Promotions and Lotos Instant Game Management System. INTRALOT enabling platforms and touchpoints described below provide for an end-to-end Lottery solution to our customers’ staying aligned with our commitment for Operational Excellence, Technology Evolution, Integrity and Player Engagement.

### **Lotos X**

The LOTOS X platform, INTRALOT’s latest Lottery Solution and currently deployed in 4 major European Lottery operators, provides efficient centralized end to end management of all lottery products across multiple sales channels. It enables Lottery operators to configure, combine and expand games easily and effortlessly based on predefined game range parameter configurations. Games management introduces an evolutionary concept as to the games philosophy in order to minimize the time until the introduction of the new bet type. Thus, the steps are minimized to guarantee that the games introduction are as rapid and simple as possible. The operator uses a single interface to manage numerous back-office functions and changes or functions are distributed in other components, as needed, in a seamless manner. Fully compliant and certified, INTRALOT’s Lotos X Lottery Solution is ready to run in every regulated operation with complete responsibility and safety, according to the industry’s highest standards.

On January, 2021, OPAP exercised its two-year extension option that concerns the LotosX Lottery Solution deployment for the operation of OPAP’s numerical games that was extended for one more year on December 2021. Moreover, on May 2021, INTRALOT, in co-operation with the Nederlandse Loterij, completed the transition of the operator’s full gaming portfolio enabled by the innovative LotosX platform. Lottery Draw-Based games, Scratch Cards and Passives, as well as the back-office operations are now live in The Netherlands through LotosX.

### **Sports Betting Solution & INTRALOT Orion**

INTRALOT’s Sports Betting Solutions, currently deployed in 11 Lottery & Sports Betting operations worldwide are also tailored to suit the needs of regulated Lotteries and pure Sports Betting operators globally, catering to customers’ needs across all channels and are an all-in-one solution that fully covers the needs of managing an online and retail sportsbook. The solution offers among others rich risk management tools, highly automated and efficient management of events and high frequency markets, derivatives engine that enhance efficiencies and reduce man effort. Our solution comes pre-integrated with all major 3<sup>rd</sup> party data feed providers; therefore the coverage is exhaustive and meets the needs of every forward looking operator.

INTRALOT’s strategy in terms of our sportsbook content offering is to provide the wider possible portfolio, targeting maximization of sales and engagement of as many players as possible. Unlimited

offering capacity is one of the main pillars of our latest Sports Betting platform, namely Orion, which can essentially support all known sports and markets. Moreover, there is a constant upgrade of the offering capabilities with more markets being added regularly, including many innovative ones that have emerged in the industry within 2021.

### **INTRALOT Orion**

INTRALOT Orion platform, INTRALOT's latest Sports Betting Solution and currently deployed in 4 major European and US Lottery operators is designed to cater for the complete management of fixed odds sports betting games, both at the operations level, through its extended functionalities for setting competitions, games, odds, handicaps etc., and at the risk management and decision-making level, through the real-time monitoring of betting transactions and risk exposures. INTRALOT's Orion helps our customers' overcome any obstacles and limitations imposed by out-of-date architectures and legacy systems, by providing:

- Richer content for all channels: All known Sports, more events, all known markets including instant markets
- Risk Management automation through business rules configuration
- Multiple Feed aggregation
- Automated event management complemented by the option of manual intervention
- Front end independence through an open API framework in order to facilitate our omnichannel vision

### **INTRALOT Enablers – Available for both Lottery and Sports Betting Solutions**

INTRALOT enablers include a set of applications for addressing additional operational aspects of our customers, outside the two core gaming platforms.

1. The management of content: **Canvas** Content Management System (CMS) is a powerful platform for managing the content and UI across multiple touchpoints (websites, mobile native apps, self-service terminals, retailer terminals, etc.) with build-in personalization and content optimization features.
2. The management of the retailers: **RetailerX** is an end-to-end solution designed to empower and motivate retailers, while enabling operators to efficiently manage retail network information, ordering, ticketing, and inventory.
3. The management of the players: **PlayerX** is a platform managing identifiable players in both retail and online domains, to maximize their lifetime value and reduce churn.
4. The management of the devices: **Device Management System (DMS)** manages centrally all retail network peripherals, while monitoring their performance and identifying any update or upgrade needs.



## Customer Touchpoints (Operator, Retailer and Player) – Available for both Lottery and Sports Betting Solutions

INTRALOT continues enhancing its Retail and Digital Transformation proposition for its customers by introducing retail concepts, digital workflows and player journeys that will also accommodate the new post COVID-19 challenge. To provide a unique player experience and trust, INTRALOT continues looking into new technologies and ways to connect with the players like AI, IoT, AR, VR, Big Data analysis etc. and we continue the incorporation of such features in our product portfolio roadmap.

INTRALOT is a 'one-stop-shop' for any organization looking to expand in the Lottery or Sports Betting business, either in the retail or online space. The most popular touchpoints INTRALOT provides solutions for are:

- **Retailer terminals:** A wide range of terminals used by the retailer/clerk in any type of retail store (e.g., shop-in-shop, in-lane, dedicated store).
- **Self-Service Terminals and Vending Machines:** A wide range of player terminals that deliver a thrilling experience, either in-store or in semi-attended spaces.
- **Portal websites and mobile applications:** Digital channels for playslip preparation and real-money gaming.
- **Canvas Signage - Digital Signage:** Advanced audio-visual content capabilities that enrich the retail gaming experience and boost player entertainment and engagement.

*Retailer terminals (used by the retailer/clerk, for any type of retail store)*

INTRALOT's terminals for the retailer, combine robust technology for serving the advanced needs of the retail channel, with innovative industrial design, and enhanced ergonomics and usability.

- **PhotonX:** INTRALOT'S latest retail flagship terminal revolutionizes lottery and betting retail operations. PhotonX inherits INTRALOT's patented and field-proven camera technology for flawless playslip reading and maintenance-free operation.
- **Photon:** a fully functional, high performance camera-based lottery terminal that incorporates a digital camera in a modern and ergonomic unit with large operator display.
- **Proton:** a compact, all in one, camera-based lottery terminal that offers the benefits of the digital reading technology in a minimum retail footprint.
- **Microlot:** INTRALOT's smallest full function terminal, an all-in-one device that supports validation and payments for all gaming ticket types, supporting mechanical scanner-based technology.
- **Genion:** a multi-functional solution that can serve as, among other things, a game validation and payment terminal and an online and scratch ticket checker.
- **Canvas Retailer:** INTRALOT's advanced web-based terminal software solution that consists of a frontend application and a content management system, designed for Lottery and Betting operations.



### *Vending Machines*

INTRALOT offers different flavours of Vending Machines to cater for different Lottery operators needs. Our vending machines offer different instant ticket capacity options, player touch screens for game selection, ticket checking and validation mechanisms, video advertising screens, payment methods, player participation methods, security features. Our latest family of vending machines includes:

- **Dreamtouch** is a next generation vending machine which features a 42" FHD touchscreen display. It supports up to 25 different types of instant scratch tickets and at the same time it can display unlimited draw-based games and terminal instants.
- **Dreamtouch 40:** with the largest instant ticket bin capacity, namely 40 bins, it offers unlimited possibilities, sales alternatives, and convenience features, which are impossible to achieve with a conventional vending machine.
- **Dreamtouch Compact** is a full-service vending machine in compact size. It has an embedded a 32" full high definition touchscreen for purchasing up to 12 instant scratch tickets and unlimited draw-based games and terminal instants.
- **Dreamtouch Smart** is the first instant ticket vending machine in the market, for purchasing unlimited draw-based games, terminal instants and up to 25 instant scratch tickets at the height of just 54" (137 cm).
- **Winstation30** is the only vending machine in the lottery industry able to dispense up to 30 instant scratch tickets. It is designed specifically for the sales of scratch tickets through its large front panel with a simple "push of a button", draw-based games and terminal instants by interacting with the 10,1" embedded touch screen.

### *Self-Service Terminals*

The Self-Service terminals come in a wide range of options and can be combined with the right frontend and backend platforms aswell as peripherals (play slip scanner, bar code reader, high speed thermal printer, smart-card reader, bill validator, coin acceptor and cashless payment device) to best serve the distinct needs of each player. INTRALOT Self-Service terminals include:

- **MPNG** is the most successful Multi-Purpose Self-Service Terminal with a compact and ergonomically design and minimal footprint. Its autonomous functionality and multiple integrated participation methods allow it to act as an advanced stand-alone play point that minimizes counter queues, increasing customer satisfaction.
- **Gamebase** is an integrated tablet desktop solution serving as players' first touch point with digital playslip preparation. Featuring a 21,5" FHD touchscreen, embedded barcode and smart card reader and the option of an external printer, consists an innovative end-to-end solution in traditional retail stores.
- **GameKiosk** (single or dual screen) is an all-in-one SST solution for modern in-store environments with limited space. It features a pair of impressive 21,5" FHD screens on a single, elegantly designed stand and a slim profile that occupies far less floor space than competing self-service products, making it easier to install.

- **GameStation** is the full self-service lottery solution, ergonomically designed with two 23" FHD displays with LED cabinet illumination, enhancing the gaming experience and improving the performance of existing games.
- **Dreamtouch Lite X** is an innovative gaming kiosk, designed to create a compelling user experience. Its 32" full high definition inclined touchscreen in portrait orientation redefines players' experience, resembling personalized gaming experience, that is usually provided via handheld mobile devices. Dreamtouch Lite X is hosting Tapnbet innovative concept of prefilled betslips that makes gaming easy and fun for any player.

## Services

Our offered services cover the whole spectrum of the day-to-day operational activities of lottery organizations and are categorized into the following areas:

### *IT Professional Services*

In today's complex, fast-changing world, where Information Technology (IT) is the backbone of the world economy and an enabler of business innovation, the gaming sector is in need of IT Services that enable the enterprise to effectively respond to new business needs while ensuring high performance, customer trust and cost efficiencies. INTRALOT experience and certified professionals provide IT professional services, targeted at the network, database, operating system and infrastructure layers of IT. Such services are certified according to ISO 20000 on IT Service Management, follows the COBIT 5 principles and is also certified according to WLA SCS and ISO 27001 security standards and EL Responsible Gaming Standard for Vendors.

### *Technical Support*

Our purpose is to inspire trust and generate value to customers internationally through streamlined Technical support services that increase efficiencies. By effectively taking care of your daily, system back-end support activities and by facilitating your Depot and Field Support needs, we enable you to focus on strategic customer-facing activities, such as player/ retailer acquisition and retention. An experienced team with deep and holistic understanding of technical support operations are able to design / implement / deliver / handover knowledge on areas related to Call Centers, Field Support, Logistics and DevOps operations.

Moreover, INTRALOT's Global Service Desk plays a vital role in building a relationship with our customers based on trust and on delivering on our promise. INTRALOT's Global Service Desk is the single point of contact (SPOC) of our customers with INTRALOT headquarters for exceptional 24x7 technical support services. The primary functions of the Service Desk include effective lifecycle management of incident and service requests, including respective communication with customers.

### *Game Operations*

Round-the-clock gaming operations, ensuring efficient system performance in 24/7 environments worldwide. A dedicated, highly-specialised Operations team, which adheres to quality, security and data



management best practices, undertakes the execution of our customers' daily operational tasks as these relate to the central system and add-on applications, thus resulting in:

- Reduced requirements for localised personnel, training and integration with new tools
- An enhanced player / customer experience with on-time task execution and high levels of service availability
- High level data integrity and quality of service rendered

Game operational activities undertaken range from daily administration of a single subsystem to that of end-to-end, complex retail and online IT solutions for Lotteries, Gaming and Interactive Games.

#### *Training - Intralot Academy*

While currently offering more than 30 training courses, INTRALOT remains committed to continuously extending and enhancing its knowledge offering to the Gaming industry. As part of this effort, we are proud to announce the launch of the INTRALOT Academy in September 2020, a state-of-the-art training program aimed at offering to our existing and new customers valuable, hands-on knowledge of our products and services, and bringing them up to speed with the latest Industry advances and trends.

Focusing on Gaming market expertise and sector-specific skills, INTRALOT Academy offers top-quality, tailor-made and targeted training courses—both remote and onsite—managed and ran by seasoned gaming professionals and based on INTRALOT's ISO 29993 and ISO 9001 certified training methodology.

#### *Sports Betting – Managed Trading Services*

INTRALOT offers a full spectrum of customized betting management services, the range of which covers all aspects of managing a sports betting operation, from strategic business planning, product design, betting product production (pre-game and live) and risk management, through to support services such as sales channel design and management, marketing and training. INTRALOT's sports betting services are fully ISO 9001:2008 certified and cover the full range of sporting and non-sporting events provided through Internet, Mobile and Retail channels.

INTRALOT'S Managed Trading Services is a proven and certified 24/7-365 operation. Our highly experienced Pre-Game and In-Play trading teams provide services for numerous operators located in different jurisdictions. We operate on four continents and service numerous sports betting projects that proves our flexibility, gaming experience and the highest quality of our services.

Managed Trading Services' key highlights, making the difference with the rest of the industry providers:

- Dedicated teams per jurisdiction rather than white label approach
- Separate Pre-Game & In Play trading teams
- Dedicated player profiling team
- In house special bets and novelty markets creation and odds compiling to satisfy all operator's regional requirements



### *Sales & Marketing Services*

Our local marketing teams provide consulting support and a full range of marketing services and are supported by our global marketing resource center, which brings global insight and an overall strategic perspective to each contract. Our services include:

- **Product portfolio development:** We define and manage the product mix and product strategy, overlooking the localization/customization of the product offering, monitoring product and availability performance. Main activities include: competition analysis, new features design, case studies preparation and more.
- **Market Research and Analysis:** We seek to continuously enrich and deepen our player understanding by analyzing the tens of millions of players-initiated transactions we enable globally. We also stay in touch with our target players' preferences and habits, by analyzing consumer response to market research commissioned and conducted in various countries across the world.
- **Game Design and Analysis:** We continually test new gaming concepts in order to maintain the appeal of our games' library across diverse markets. In addition, we tailor each game to satisfy the particular needs of individual clients.
- **Marketing Communication:** We design appropriate marketing strategies based on the communication requirements set by the gaming operators, focusing on the development of tailored communication concepts such as advertising, branding, media buying programs, promotions and merchandising.
- **Sales Network Design and Development:** We offer know-how and experience in the design and implementation of extensive and efficient sales networks.

### **GDPR compliance**

INTRALOT has established personal data protection as a strategic priority towards ensuring player, customer, employee, partner and shareholder trust. INTRALOT's Data Protection Framework addresses the requirements of the EU General Data Protection Regulation (GDPR). The Framework combines organizational, procedural and technical controls for serving the rights of data subjects in a multidimensional manner, considering internal and external stakeholders. In order to achieve that, INTRALOT has combined Privacy Good Practices, its Enterprise Risk Management Framework for managing related risk and for conducting Data Privacy Impact Assessments, as well as its Cyber and Information Security Frameworks. The later focus on the identification of Information Security needs, Data Protection as well as Incident detection, response and recovery, customized to the requirements of GDPR. Privacy by design has traditionally been a core element of INTRALOT products and services, while the data subject remains at the epicenter, being served with transparency and respect.

Demonstrating its commitment to systematically protect personal data within its Information Security Management System, INTRALOT implements specific rules and controls in the following areas:

- Organizational controls (e.g. a Data Privacy Officer in all Group companies with over 250 employees).

- Risk assessment and data identification (e.g. risk assessment of products and operations).
- Technical controls (e.g. maintain encrypted backup of personal data).
- Operational controls (e.g. strictly prohibit transfer of personal data outside a jurisdiction, unless written authorized by the Group Legal Counsel and the Group Information Security Officer).
- Contractual controls (e.g. data processing according to a contract or other legal act).

### Research & Development

INTRALOT's R&D general objective is the constant improvement and further development of its gaming systems, services and products, and the introduction of innovation in company divisions, Group members and customers. In this effort INTRALOT consistently invests a substantial amount of dedicated and non-dedicated resources in R&D programs, which foster emerging technologies and promote innovation in the gaming market.

INTRALOT's rich history of technology advancement and innovation has brought international recognition in the gaming market. Our R&D programs and the harmonious collaboration with third party vendors as well as innovative products and solutions considerably contribute to the advancement of the gaming industry, including, among others in 2021:

- Retailer terminals (PhotonX improvements, new platform for Proton, Camera improvements, new Ticket Checker device),
- Self-service terminals (prototypes of Gamebase, Gamekiosk, MPNG v2 and DT-LiteX),
- Vending terminals (Dreamtouch40 prototype, ticket by ticket activation, new participation methods),
- Digital Signage (new media players and extensions to our Canvas Signage platform), all with unified CPU platforms and advanced Operating Systems,
- Retail digital transformation (Scann Play, proximity play points, digital playslips),
- VLT and monitoring solutions including our new generation Site Controller for VLTs and COAMs,
- Lottery applications (new lotto game types, product bundling, dynamic process management),
- Fixed Odds Betting applications (dynamic configurations, automated actions), instant games management (machine learning techniques for sales forecasting, suggestive ordering),
- Interactive Peer-to-Peer Gaming (fraud management, responsible gaming, KYC, marketing) and finally,
- Technology architecture (centralized monitoring, logging standardization, resource management driven by AI algorithms).

Apart from in-house R&D, INTRALOT is cooperating with leading educational institutions and Technology Vendors and has established Development Centers in the US and Greece.

As of December 2021, INTRALOT holds 261 granted patents, while there are 9 additional active patent applications pending in various stages. Our most recent patents include methods and systems for enabling personalized game betting and lottery playing, new game types as well as the design of various



types of terminals (i.e. multi-purpose new generation terminal, full self-service terminal, vending machine, retailer next generation terminal).

## **BUSINESS REVIEW**

### **Industry Overview & Market Drivers**

#### **Global gaming market**

##### *Overview*

The gaming industry comprises of lottery games, casinos, sports betting, bingo, horse racing, gaming machines and online gaming. According to H2GC, revenue net of payout ("GGR"), which constitutes gross turnover in respect of gaming activities less the amount paid out to players as winnings but including bonuses, is estimated to have grown to €357,6 billion in 2021, from €368,7 billion in 2016, representing a CAGR of -0,6%.

The gaming market is estimated to have grown significantly by +10,8% in 2021 due to the gradual recovery of the industry after been hit by COVID-19. The regions that present the higher growth rates when compared to the average global y-o-y growth are Latin America, North America and Oceania with regional y-o-y growth at the levels of +34,2%, +13,7% and +11,1% respectively (based on 2021e figures). Latin America and Oceania are the only regions that have managed to surpass the levels of 2019 GGR, that occurred prior to COVID-19 effect.

More specifically, North America, the region with the highest share in 2021e global GGR, that of 33%, presented a y-o-y increase in all gaming sectors with overperforming the Betting category. Especially, the y-o-y growth in Sports Betting was at +112,5% as has not been hit by COVID-19 pandemic due to the continuous opening of more and more markets.

In Asia / ME, the gaming markets that contributed with the highest shares in 2021e regional GGR, China and Japan, they present a y-o-y growth of +6,1% and +0,4%, mainly due to growth in Betting, though without having yet reached the pre-COVID-19 levels of total GGR.

Europe, which represents 27,4% of the Global GGR (based on 2021e figures) presented significant y-o-y increase in Betting and Lotteries, at the levels of +20,6% and +9,3% respectively, managing to reach the pre-pandemic levels of performance in these gaming categories. On the top performing markets, in terms of 2021e GGR, UK and Italy presented a y-o-y growth of +5,6% and +9,5% respectively, reaching 2019 performance in most categories. Spain presented high y-o-y growth of +18,3%, still without reaching the levels of 2019 performance in any gaming category. Lastly, France with a y-o-y growth of +1,4% managed to reach 2019 performance only in Lotteries.

Latin American (incl. the Caribbean) markets present y-o-y growth in all game categories, with Betting and Lotteries managing to reach 2019 levels of performance. More specifically, the top contributors of the region, the Brazilian, the Colombian and the Puerto Rican markets, they have presented estimated



y-o-y growth of +16,9%, +78,8% and +57,3% respectively, having reached 2019 levels of performance across all game categories.

Oceania, with a share of 6% over the total estimated 2021GGR, presents a y-o-y growth in GGR of +11,1% with all game categories having reached the pre-pandemic performance.

Finally, Africa, with only 1,3% of the Global estimated GGR in 2021, presented a +10% y-o-y increase, mainly due to the significant increase of +62,7% in Betting, that has managed to regain the size of 2019.

Overall, 2021 was a year that was characterized by the gradual recovery of the gambling industry globally. The game category that marked the highest y-o-y growth rate at +26,2% was Betting. Betting is also the game category that, not only managed to reach 2019 performance, but also to surpass it. The reasons behind this are beyond the re-occurrence of sports events, but also due to the opening of the market in certain regions (U.S.) and the increasing trend of the category.

### Gaming market trends by region

The Global gaming market GGR was estimated to have remained rather stable at -0,6% per year (CAGR) between 2016 and 2021e. The top performing region, North America, presented a positive CAGR 2016-2021e of +1,7% due to the continuously enriched portfolio offered in various U.S. markets that follows the evolutions in regulatory framework. At the same time, the performance of the following two top performers, Asia / ME and Europe has marked negative CAGR of -3,9% and -0,6% respectively.

<b>Total Global GGR (€bn)</b>	<b>'16</b>	<b>'17</b>	<b>'18</b>	<b>'19</b>	<b>'20</b>	<b>'21E</b>	<b>'22E</b>	<b>'23E</b>	<b>'24E</b>	<b>'25E</b>	<b>'26E</b>	<b>CAGR 21E-26E</b>
Africa	3,5	3,9	4,4	4,7	4,1	4,5	5,6	6,8	7,7	8,4	9,2	15,1%
Asia/ME	129,3	138,3	148,3	144,1	98,2	106,1	129,9	143,6	146,9	150,5	154,8	7,8%
Europe	101,3	103,9	107,0	110,9	90,3	98,1	121,5	126,4	131,4	136,3	141,5	7,6%
Lat Am & the Caribbean	7,8	8,1	8,4	9,3	7,0	9,4	11,2	12,2	13,1	14,0	14,8	9,5%
N America	108,2	109,8	114,9	120,2	103,7	117,9	140,3	155,7	163,2	170,2	177,3	8,5%
Oceania	18,6	18,5	19,4	19,7	19,4	21,5	22,1	22,3	22,9	23,4	24,1	2,3%
<b>Global Total</b>	<b>368,7</b>	<b>382,5</b>	<b>402,4</b>	<b>409,1</b>	<b>322,7</b>	<b>357,6</b>	<b>430,5</b>	<b>467,1</b>	<b>485,2</b>	<b>502,9</b>	<b>521,6</b>	<b>7,8%</b>

Source: H2 Gambling Capital, Global Summary Jan '22. Data for Fiscal Years 2021-2026 are estimated by H2GC.

In terms of growth, according to H2GC, the Global gaming market is estimated to grow at a high rate of +7,8% CAGR 2021e-2026e, as the industry recovers gradually from the effect of the pandemic COVID-19 and follows its growing trend.

From a regional perspective, the gaming markets in Africa and Latin America (incl. Caribbean) are developing ones and are expected to grow with the highest CAGRs 2021e-2026e of +15,1% and +9,5% respectively. Apart from the growing economies and the recovery from COVID-19 effect in the industry, mainly in Betting and Land-based offerings, the growth is due to expected upcoming changes in the regulatory framework (esp. in the Online channel).

The top contributors to global GGR are estimated to keep-up with the global growing trend, as well. North America with CAGR 2021e-2026e of +8,5% is expected to grow mainly due to the top contributor country in regional GGR, the United States. The U.S. growing trend of +7,5% is due to the new offering of Sports Betting in both channels with CAGR 2021e-2026e +14,7%, and the Online offering esp. in Poker, Casino and Lottery products. Canada presents a high CAGR 2021e-2026e of +21,3% with Casino leading the growth, while recovering from any lockdown measures that have taken place due to COVID-19.

Following, Asia /ME with a contribution to Global GGR of 29,7% is estimated to grow with a CAGR 2021e-2026e of +7,8%, with the regional GGR though lagging far lower than pre-COVID-19 performance in all product verticals, excluding Betting. The highest growth is expected in Casino, at +19,3% CAGR 2021e-2026e, with Macau trying to reach pre-pandemic performance in the following 5-year period. Amongst the top two contributors to regional GGR, it is Betting and Online Casinos of both Chinese and Japanese markets that drive growth.

With a share of 27,4% to the estimated 2021 global GGR, Europe is estimated to grow with CAGR 2021e-2026e of +7,6%. The European gambling markets still suffer from losses due to COVID-19 pandemic, especially in Land-based offerings. Betting and Lotteries are the verticals that have reached 2019 performance, though with the contribution of Online channel capitalizing on the drop in the performance of the Land-based operations.

Oceania, with a share of 6% to estimated 2021 global GGR, is estimated to present a lower rate of growth +2,3% CAGR 2021e-2026e mainly attributed to the +5,6% growth of Online Betting in the top contributor, the Australian market.

### Gaming market trends by product

Our addressable market includes lottery games, sports betting, horse racing, gaming machines, interactive gaming, and other activities, such as bingo. Casinos (incl. Native American gaming) are excluded.

<b>Total Global GGR (€bn)</b>	'16	'17	'18	'19	'20	'21E	'22E	'23E	'24E	'25E	'26E	<b>CAGR 21E-26E</b>
Betting	52,4	56,6	64,6	66,3	59,7	75,3	87,7	95,0	102,2	108,2	114,4	8,7%
Casino	124,5	134,0	143,0	146,3	99,4	112,2	145,5	168,9	175,1	181,6	188,4	10,9%
Gaming Machines	81,7	81,2	80,4	79,3	53,8	52,9	72,6	73,3	73,3	73,5	73,8	6,9%
Bingo/Other Gaming	7,3	7,5	7,8	8,1	6,7	7,5	8,7	9,7	10,1	10,6	11,0	8,1%
Lotteries	102,9	103,3	106,6	109,1	103,0	109,7	116,0	120,2	124,4	129,0	134,0	4,1%
<b>Global Total</b>	<b>368,7</b>	<b>382,5</b>	<b>402,4</b>	<b>409,1</b>	<b>322,7</b>	<b>357,6</b>	<b>430,5</b>	<b>467,1</b>	<b>485,2</b>	<b>502,9</b>	<b>521,6</b>	<b>7,8%</b>

Source: H2 Gambling Capital, Global Summary Jan '22. Data for Fiscal Years 2021-2026 are estimated by H2GC.

For the following 5 years, the game verticals that are estimated to bring the highest growth are Casino and Sports Betting with +10,9% and +10,6% CAGR respectively. In the following years it is expected for Casino to overcome the losses caused by COVID-19. As for Sports Betting, it is expected to follow



the continuous growth of the past years. The following drivers are expected to shape the overall outstanding performance for this growth:

- The expected growth in the Betting market in North America, with CAGR of +15,3%. This is mostly driven by the U.S. markets, since the U.S. Land based Betting and Online Betting are estimated to grow with CAGR of +7,2% and +18,9% respectively, due to the developing environment that has followed the changes in the regulations.
- The Betting market in Africa, with the top highest growth at +17% CAGR 2021e-2026e. The top contributors' countries in Betting that are estimated to present the highest potential for growth in the Betting sector are Kenya, Nigeria and South Africa with +30,4%, +19% and +15% CAGR 2021e-2026e respectively.
- The Betting market in Latin America, with +13,4% CAGR, mainly produced by Brazilian Betting sector with +23% CAGR in total, whilst Land based and Online Betting are estimated to grow with a +75,1% and +18,8% CAGR respectively.
- In Europe, the Betting sector is estimated to present lower increase rate at +7,9% CAGR. The countries that are the drivers of growth are Spain, Germany, Italy and France, with +10,1%, +9,9%, +9,1% and +8,5% CAGR respectively, mainly due to the continuous growth of Online Betting.
- The Asian betting sector is expected to present a CAGR of +7,9% with the Chinese market expected to grow at +9,9% CAGR.

Lottery games represent the most traditional segment and have historically attracted the largest number of players. The lottery segment was projected to have contributed to 30,7% of the total estimated gaming market in 2021 (€109,7 billion). For the past years, the growth in the segment has been supported by a shift towards privatization, incorporating greater variety of products a shift to alternative channels, the latest accelerated further by COVID-19 and the restrictions that were imposed in the Land based channel across markets. For the following 5 years, according to H2GC, this segment is estimated to grow at CAGR of +4,1%, with the most notable performer in terms of CAGR for the period 2021e-2026e being the U.S. Lottery, with +6,0% CAGR, and more specifically with +31,2% in Online Lottery, due to the changes of the offering by even more state Lotteries.

#### **Online market trends**

Online gambling, via desktop, mobile and iTV, has reached a penetration of approximately 24,9% of the total estimated 2021 Global GGR (€89,1 billion) and is estimated to reach 28,3% by 2026 (€147,7 billion). Betting is the strongest product of the total online GGR and accounts for 53,8% (€48,0 billion); followed by Casino (26,7%), State Lotteries (11,9%), Poker (3,8%), Bingo (2,5%) and Skill/other gaming/Lotteries resales (1,3%). State Lotteries, Casino and Betting are the products with the expected highest potential for growth with +13,6%, +12,9% and +9,4% CAGR in 2021e-2026e respectively.



<b>Total Global GGR (€bn)</b>	<b>'16</b>	<b>'17</b>	<b>'18</b>	<b>'19</b>	<b>'20</b>	<b>'21E</b>	<b>'22E</b>	<b>'23E</b>	<b>'24E</b>	<b>'25E</b>	<b>'26E</b>	<b>CAGR 21E-26E</b>
Betting	20,9	23,9	27,8	31,1	37,3	48,0	53,5	59,0	64,9	69,8	75,1	9,4%
Casino	10,5	12,0	13,2	14,9	19,3	23,8	27,0	34,3	37,5	40,5	43,6	12,9%
Poker	2,4	2,4	2,4	2,5	3,2	3,4	3,2	4,3	4,4	4,5	4,6	6,5%
Bingo	1,7	1,8	1,8	1,9	2,1	2,2	2,2	2,3	2,4	2,4	2,5	2,6%
Skill/Other												
Gaming/Lotteries	0,6	0,7	0,8	0,9	1,0	1,1	1,2	1,3	1,4	1,6	1,7	8,2%
Resales												
State Lotteries	4,5	5,0	5,7	6,9	8,9	10,6	12,2	14,5	16,2	18,1	20,1	13,6%
<b>Global Total</b>	<b>40,6</b>	<b>45,9</b>	<b>51,8</b>	<b>58,2</b>	<b>71,8</b>	<b>89,1</b>	<b>99,3</b>	<b>115,7</b>	<b>126,9</b>	<b>137,0</b>	<b>147,7</b>	<b>10,6%</b>

Source: H2 Gambling Capital, Global Summary Jan '22. Data for Fiscal Years 2021-2026 are estimated by H2GC.

The projection for 2021 shows that Europe holds the leading position in the global Online GGR, with a share of 46,7%. Though the sharp growth rates of expansion are expected by North America, which is the third top contributor to global GGR, as well as by evolving markets like Latin America (incl. the Caribbean) and Africa for the Online channel. North America has the potential to drive the online market due to expectations that various ongoing legal changes that are taking place in the current legal framework across U.S. in both Betting and Lotteries.

<b>Total Global GGR (€bn)</b>	<b>'16</b>	<b>'17</b>	<b>'18</b>	<b>'19</b>	<b>'20</b>	<b>'21E</b>	<b>'22E</b>	<b>'23E</b>	<b>'24E</b>	<b>'25E</b>	<b>'26E</b>	<b>CAGR 21E-26E</b>
Africa	0,4	0,5	0,7	0,9	0,9	1,4	1,8	2,3	2,8	3,2	3,7	21,6%
Asia/ME Europe	11,9	13,2	14,7	16,6	21,9	24,9	26,2	28,5	30,7	32,8	35,0	7,0%
Europe	20,0	23,2	26,4	29,7	34,8	41,6	45,6	49,4	53,3	57,0	61,1	8,0%
Lat Am & the Caribbean	0,6	0,7	0,9	1,1	1,2	1,8	2,0	2,5	2,9	3,2	3,5	14,7%
N America	4,6	4,9	5,3	6,0	8,3	13,1	17,1	26,5	30,1	33,2	36,2	22,6%
Oceania	3,1	3,3	3,7	4,0	4,8	6,3	6,6	6,5	7,0	7,6	8,2	5,4%
<b>Global Total</b>	<b>40,6</b>	<b>45,9</b>	<b>51,8</b>	<b>58,2</b>	<b>71,8</b>	<b>89,1</b>	<b>99,3</b>	<b>115,7</b>	<b>126,9</b>	<b>137,0</b>	<b>147,7</b>	<b>10,6%</b>

Source: H2 Gambling Capital, Global Summary Jan '22. Data for Fiscal Years 2021-2026 are estimated by H2GC.

The contribution of mobile gaming to total Online GGR is estimated at 43,1% for 2021 and is estimated to reach 52,1% of total estimated Online GGR for 2026, showing an increasing annual growth rate in GGR of +14,9%. Apart from the high penetration of smartphones, COVID-19 pandemic has highly affected players' habits and preference towards participation in gaming via alternative channels. It is expected that these shifts in habits are permanent and will drive growth in these channels' performance in the following years.

Betting that contributes the highest share of 62,1% in Total Mobile estimated GGR in 2021, is expected to grow at a rate of +13,4% CAGR 2021e-2026e. On the other hand, Lotteries with a share of 10,5% are expected to grow with a high pace, that of +18,6% CAGR 2021e-2026e.

## Competition

Competition in the gaming market is intense as the post-COVID-19 landscape has greatly emphasized the importance of the online channel and the option of remote gaming, even with the retail stores.

Competition for lottery contracts remains mainly amongst the two key international players that operate across B2B/B2G and B2C segments and compete with INTRALOT for all types of contracts: International Game Technology (“IGT”) and Scientific Games Corporation (“Scientific Games”). In addition to these international competitors, in jurisdictions where we have B2C operations, we face competition from numerous local companies, particularly for licensed operations.

Competition in the B2C segment is a function of the regulation in each jurisdiction. For example, an operator owning an exclusive concession does not face competition from similar gaming offerings, while in open markets B2C players face competition from the other local operators.

According to VIXIO Gambling Compliance (U.S. Sports Betting & iGaming Outlook 2022), the competition evolves rapidly in the market with more and more states regulating sports betting and assigning licenses. In 2021, 12 states began offering legal sports betting for the first time. In total, 10 states passed laws in 2021 to either authorize sports wagering or materially expand their markets (as in New York), versus just 2 states in 2020. It is expected further 3-9 states to legalize sports betting in 2022.

The U.S. sports betting market is expected to be worth \$12,1 billion to \$17,7 billion in total annual gross revenue by 2025, depending on whether legislative trends align with the expected scenarios. In addition to that, the forecast for the total revenue from all U.S. online gambling (online sports betting plus iGaming in certain states) to reach \$17,3 bn to \$22,6 bn by 2025.

The main international players that compete with INTRALOT in the sports betting arena are International Game Technology (“IGT”), SG Digital (Openbet), SBTech, Playtech and Kambi. In addition to these international competitors, in jurisdictions where we have B2C operations, we face competition from local companies, particularly for licensed operations.

## Our Strategies

### ***Deliver best-in-class technology solutions and maintain leadership in technology innovation***

The most important element of our sustainable growth strategy is to maintain our industry leadership in technology and innovation. This core strategy of INTRALOT emanates from the fact that lottery and gaming is a technology and supply driven industry and thus technology innovation drives growth.

In this sense, we strive to develop leading technology solutions for lottery, sports betting, interactive and gaming machine monitoring, through continuously investing in R&D activities that foster innovation and early adoption of industry shaping trends. Our R&D programs include partnerships and collaborative initiatives in Greece and abroad, a recent example being our collaboration with Microsoft for utilizing



Microsoft's Azure cloud computing services, a significant landmark for INTRALOT as it builds upon the main pillar of its strategy to introduce business innovation through digital technology.

**In addition, our R&D efforts have resulted in numerous industry awards and distinctions, most recently the Gold Award for Technology Excellence in the category of "New Technology Trends in Cloud Applications and Services, received at Impact BITE Awards 2020".**

In parallel, we strive to patent our proprietary technology inventions and we have been granted with multiple technology patents certifying our innovation capability. As of December 31, 2021, INTRALOT holds 261 granted patents, while there are 9 additional active patent applications pending in various stages. For more details, refer to section "INTRALOT Solutions, Products and Services \ Research & Development".

Our R&D efforts have led to the development of the next-generation of our core gaming platforms and products, specifically the LotosX platform ecosystem, the PlayerX interactive lottery platform, the INTRALOT Orion, our new omni-channel sports betting platform, the PhotonX lottery terminal, delivering the outmost performance and operational efficiencies, as well as Lotos Xi a natively omni-channel iLottery solution offering a wide range of engaging interactive lottery games and features personalized player experiences through powerful data analytics.

Our LotosX, the only legacy-free lottery platform in the industry, has been designed to become our universal platform ecosystem to help us more efficiently tailor and continuously enhance the delivery of our products and services. You may see more details in section "INTRALOT Solutions, Products and Services \ Lottery Solution and LotosX \ LotosX". LotosX gaming platform is a characteristic example of our innovative approach to maintaining our contracts and expanding our footprint through the adoption and implementation of recently developed technologies. As proof of that, during 2021 we saw the successful migration to our LotosX platform coupled with new Photon lottery terminals for our long-time customer Nederlandse Loterij in the Netherlands, and the continued operation of LotosX with outmost resilience and performance for several European customers including OPAP, one of the top selling lotteries in the world.

The service oriented philosophy and modular architecture of our solutions, in addition to their distinctive third party integration and interoperability capacity, allows us to provide our lottery and gaming customers with optimally tailored solutions coupled with external components that are relevant and add value for the specific market. Additionally, their native support for online, mobile and retail channels ensures greater revenue generation potential and wider business opportunities for INTRALOT. It is noteworthy that amid the COVID-19 pandemic, the ease of integration and interoperability of our solutions enabled us to support our customers and operations with complementary gaming offerings, as for example of the launch of e-sports with our customers in Peru and Taiwan and the broad expansion of our sports betting offering in Malta with e-soccer, virtual sports and AI-driven simulated betting games. Moreover, the underlying technologies adopted, provide for flexibility in solution deployment models, operating margin expansion and moderating capital needs for new system installations.



Over the course of the last years, we carried out a technology portfolio overhaul, which yielded innovative and best-in-class solutions, which deliver immersive player experiences and broad operational efficiencies.

In early 2017, we developed and launched our Pulse family of products, a player – and retailer– centric suite of solutions designed to effectively manage interactive gaming operations, increase frontline performance, and reduce operating overheads. Pulse incorporates customer relationship management (CRM) tools to drive player tracking, management and engagement while offering robust retailer management functionality that can drive incremental same-store sales.

In 2018, we launched INTRALOT Orion, our latest omni-channel sports betting platform, a unique in the industry sportsbook solution combining the strong qualities and retail functionalities built over the years by INTRALOT with innovative online betting functionalities, already used by a range of top-tier online operators. This natively omni-channel sports betting solution provides us the opportunity to expand our sports betting offering in the interactive space, while providing a strong competitive advantage to win new contracts in the fast-growing sports betting landscape. As proof of the early industry recognition, within the year INTRALOT Orion has been shortlisted for the Global Gaming Awards 2020 in Las Vegas, in the “Land-Based Product of the Year” category.

*You may review more in section “INTRALOT Solutions, Products and Services \ Sports Betting Solution and INTRALOT Orion \ INTRALOT Orion”.*

In 2019 we launched PhotonX, the most powerful and best-performing retailer terminal, designed to revolutionize lottery and betting retail operations. Utilizing INTRALOT’s patented camera technology, PhotonX provides for maintenance free operation, while offering powerful performance and advanced built-in multimedia capabilities. PhotonX provides a range of benefits for the Lottery Operator, the Retailer, and the Player at the retail touchpoint and has already been recognized with the “Lottery Product of the Year” award at the International Gaming Awards 2020.

In 2020 we launched, LotosXi, our latest, state-of-the-art digital Lottery solution, which provides a unified player experience, and offers fast and engaging multi-channel gaming content. Designed to drive efficiencies in digital channels, this innovative i-Lottery solution enables lottery operators to create and offer subscriptions and online play across all lottery games. LotosXi, adopts a natively omni-channel approach to provide a wide range of entertaining and engaging games and offer personalized player experiences through powerful data analytics.

We are confident that our technology continues to lead the market as our next generation products and solutions are already receiving significant market traction, with contract extensions and new contracts in Europe, North America and beyond.

In addition, and as part of our overarching “asset-light” model, we have streamlined our technology development and delivery model through efficiency-enhancing measures that promote agility and performance. This model is intended to produce higher operating margins, while moderating capital expenditures, and in turn to enhance our cash flow resilience.

For more details, refer to section "INTRALOT Solutions, Products and Services \ Research & Development".

***Maintain and expand our contract base in target markets with attractive growth potential***

The second element of our strategy is to maintain and expand our contract base with our main focus being the US market, the current epicenter of industry developments with sports betting regulation evolving across States, while our business development efforts will underpin our strategic shift from emerging markets to mature markets, like North America and Europe.

Since the overturning of PASPA, we have developed appropriate plans to increase our sports betting footprint in the US, in partnership with our strategic State Lottery clients, and in this sense our legislative priority is to promote lottery-run sports betting across States. Our current US Lottery footprint provides us a path to 11 States and the District of Columbia, with a vast addressable population, and it is our strategic intent to leverage this unique opportunity to create sustainable value. We believe that the Sports Betting contracts concluded in recent years with State lotteries in the District of Columbia, Montana, and New Hampshire, provide us with the perfect platform to deliver on this strategic objective. Our Sports Betting operations in Washington DC and Montana, launched in 2020 continue to perform consistently, which proves that our strategy is bearing fruit.

Moreover, and as part of our "asset-light" model, we will pursue other opportunities through establishing local partnerships in certain target markets with local partners, that can instill our operations with added value. Historically, when we entered new markets, we funded our expansion, deployed our products, and provided operational services utilizing our own resources. During the recent years, we have shifted our go-to-market approach with a focus in pursuing the establishment of new local partnerships. We believe such partnerships provide the best means to grow and operate more efficiently in certain local markets, as we can benefit from our local partners' relationships and their knowledge and understanding of the regulatory environment and local market dynamics. This approach also provides for sharing financial and operational risks, reducing capital expenditures, and improving access to local funding. In all such ventures we are deliberate and strategic in our selection of partners, and apply criteria in selecting such partners that include being well-capitalized, having an established presence in their respective domains and substantial experience in the local market, and having the ability to provide a wide distribution for our lottery and gaming offering. Often these partners are experienced retail operators, financial sponsors, or large utilities.

Herein under is a list of our local partnerships, the results of which are fully consolidated in our financial statements, where their EBITDA contribution for FY21 is presented:



**Local Partnerships**

<b>Country</b>	<b>INTRALOT effective stake</b>	<b>Contract type</b>	<b>EBITDA contribution in the twelve months ended December 31, 2021<sup>1</sup></b>
Turkey (Bilyoner)	50,01%	Management contract	11,5%
Argentina	50,01%	12 facilities management (IT) contracts with state lottery operators and one licensed operation	12,1%
<b>Total</b>			<b>23,6%</b>

<sup>1</sup> For purposes of this table, EBITDA contribution is calculated as a percentage of the total INTRALOT Group EBITDA, including countries with a negative EBITDA.

**Value creation driven by increased cash flow generation, margin expansion and improving longer-term revenue visibility**

It is our strategy to improve our cash flow generation capability by creating cost savings and operational efficiencies both internally at a Group level, as well as at the individual contract and project level.

At the Group level, we have recently undergone successfully a restructuring and organizational realignment initiative in parallel with a broad-based review and optimization of our cost basis across locations, including our strategic US subsidiary.

At the contract and local operation level, we plan to realize benefits through the effective management of our long-term contracts and through forming strategic partnerships. We expect that operating through local partnerships with well-established and experienced partners, will help us realize broad operational and financial synergies at both the local and Headquarters levels. Furthermore, by partnering with well-established and capitalized local partners, we will be able to minimize future capital deployment needs, without hindering our ability to expand the scope of our existing contracts and to compete for and win new contracts.

We also expect to improve our cash flow trajectory through the strategic and proactive management of our long-term contracts. We selectively seek to maintain and enter long-term contracts, that match our stringent profitability and cash generation targets. These contracts are often for higher margin business activities, such as providing expanded facilities management or managed services.



We continuously evaluate the profitability of our existing contracts and have selectively disengaged less profitable contracts. We also aim to enhance revenue visibility and expected cash flow by entering long-term contracts or renewable licenses, to provide recurring revenue stream stability.

For the year ended December 31, 2021, we estimate that approximately 35% (excluding extension options) of the adjusted revenue for the period was generated through multi-year contracts or renewable licenses that are available to us until 2026 (although actual revenue that may be generated in the future from those contracts may increase or decrease). If we take into consideration the extension options of our contracts, revenue visibility increases to approximately 49% until 2026. Adjusted revenue for the revenue visibility estimation, refer to FY21 revenue adjusted for the contribution of contract discontinuations and one-off revenue recognitions within 2021.

### ***Disciplined capital allocation aimed to de-lever and optimize our capital structure***

Our strategy is to steadily de-lever our business, through additional cash flow generated by expected operational and financial synergies and efficiencies as well as the expected positive cash flow impact from our shift to an "asset-light" model.

Over the previous years we successfully carried-out a program of non-core asset disposals as part of our strategy. Further to previous divestments, we concluded this program with the sale of our entire stake of 20% in Intralot de Peru SAC in early 2021 and our entire 80% stake in Intralot do Brasil in May 2021.

Moreover, by pursuing opportunities and entering new markets through local partnerships, we expect to reduce our capital expenditures, increase our operational margins, and obtain access to local financing with more favorable terms.

In addition, following the increased CAPEX requirements of recent years resulting from our market refocus and from the implementation of new contracts, we seek to maintain a modest financial and growth investment policy focused on strong liquidity, and thus we do not intend to undertake any material acquisitions in the medium-term or to pay dividends to our shareholders until significant deleverage is achieved. In addition, we intend to have a disciplined capital expenditure policy with regards to undertaking projects that meet our investment-returns criteria. Maintenance capital expenditure for continuing operations regarding the years ended December 31, 2019, and 2020, and for the twelve months ended December 31, 2021 were €8,4 million, €7,3 million, and €10,9 million respectively. We expect our maintenance capital expenditure to remain around or slightly lower than the 2021 levels. Any additional capital expenditure is expected to depend on contract renewals or growth.

### ***Unwavering Commitment to Responsible Gaming, Social responsibility & Integrity***

For us, responsible gaming, social responsibility, and integrity is not merely a strategy. These principles are weaved into the company fabric and we promote them throughout our global operations in any type of engagement. This unwavering commitment, which has been adopted since the company foundation, we believe is essential for building trust with State Authorities and in turn for renewing our existing

contracts and winning new ones with lottery and gaming organizations in the State-sponsored gaming sphere. In general, State Authorities and Regulators require us to conduct our business with all due integrity and to provide well-designed games in a secure environment while preventing, to the maximum extent possible, underage, illegal and problem gambling and minimizing any potential harm to society.

In this sense, we strive to adhere to the following key principles across the INTRALOT Group network:

- Comply with the applicable laws and regulations as set out by regulators in host countries; ensure that the interests of players and vulnerable groups are protected.
- Continually develop appropriate practices and technologies on the basis of market research and information gathered from our global operations.
- Promote the implementation of responsible gaming practices in our corporate activities and with our customers' activities.
- Educate and provide the public with accurate and balanced information to enable players to make informed gaming choices.
- Maintain a standing commitment to be **a good corporate citizen** practicing **corporate** social responsibility and observing high ethical and integrity standards in **all** our **business** dealings.

### Our Strengths

*Our presence in developed and high growth markets, our proprietary best-in-class technology and our track record of innovation have led us to become a market leader in the gaming sector and create significant barriers for new entrants.*

### **Attractive Target Market Dynamics**

We operate in a large and growing global market for gaming activities of all kinds. In 2022, global GGR, is estimated to return to pre-COVID-19 levels and reach approximately €430,5 billion from approximately €409,1 billion in 2019. Global GGR is presently estimated to reach approximately €521,6 billion by 2026, primarily due to the regaining of the significant losses caused by the COVID-19 pandemic, the continued liberalization of markets, the further privatizations of state owned lotteries and the continued and accelerating convergence of physical and online gaming. Therefore, in terms of growth, global GGR is presently estimated to grow at a CAGR of 7,8% from 2021 through 2026, according to H2GC.

Although we participate in all gaming market verticals, we have a leading presence and we concentrate our efforts on the most resilient segments of State-sponsored Lottery, Sports betting, and video lottery/machine gaming monitoring.

The Lottery segment has high barriers to entry, as Lotteries are risk averse and their business is based on credibility, while the incumbency advantage has always been strong. It is noteworthy that no greenfield supplier has entered the business for many years and currently only two other companies compete with us for State Lottery contracts. The global lottery market has experienced notable stability and resilience, posting consistent growth in GGR since 2011 and up to 2019, as 2020 was a year primarily characterized by the effects of the COVID-19 pandemic. Worldwide lottery GGR is estimated



to have returned to its growth trajectory and have reached around €109,7 billion in 2021, posting a +1,3% CAGR since 2016 and up to 2021, and is estimated to further grow at a +4,1% CAGR between 2021 and 2026, reaching a level of approximately €134 billion by 2026, according to H2GC.

The Sports Betting market, although more competitive during the recent years, is by far the fastest growing segment of our operations, posting a +10,5% CAGR since 2016 and up to 2021, and is expected to maintain its strong growth trajectory in the coming years, showcasing a +10,6% CAGR between 2021 and 2026, and reaching a level of approximately €73,9 billion by 2026, according to H2GC.

***Leading Proprietary Technology and Track Record of Innovation Provide a Secure and Defensible Market Position***

We believe that our significant and innovative technological and operational expertise has positioned us as a global leader in the supply of integrated gaming systems and services, with a presence across geographies, but focused on developing markets. We hold a leading market position in the majority of the highly regulated markets in which we operate. We entered the United States in 2001 and have since grown our U.S. operations to include contracts in 11 States and the District of Columbia, which we believe demonstrates the value of our products and services. As of December 31, 2021, we enjoyed a leading market position in the technology and support services market for lotteries in the United States with an approximately 23% share of the market (by number of total state lotteries), a population coverage of approximately 40 million people (or approximately 12%), and a market share in terms of wagers handled<sup>1</sup> of approximately 11%. We believe our established presence, significant market share and position as the single licensed operator in many of our markets, pose significant barriers to entry for new entrants.

We currently hold 261 patents in gaming technology, and we test numerous gaming concepts across our business activities annually to remain competitive in the latest games and concepts for the players. Our leading development capabilities also allow us to provide innovative and technologically advanced services across our three core business activities.

We also believe that our leading technology and R&D capabilities enable us to effectively compete with other technology providers, decrease capital expenditures and upfront costs as well as reduce on-going maintenance costs. We spent on a continuing operations basis €13,0 million, €12,5 million, and €2,7 million on R&D in 2019, 2020, and 2021 respectively.

The management and information systems we operate ensure compliance with industry standards and allow us to succeed in a highly regulated and competitive market, a success also highlighted by the important certifications we have received throughout our years in operation. We were the first international vendor to be awarded the Security Control Standards certification by the World Lottery Association, an award received by only a few vendors globally, which is an important distinction between us and our competitors. Accordingly, we were the first vendor to reach an ISO 20000 certification, and the World Lottery Association has also awarded us the Responsible Gaming Framework Certification.

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<sup>1</sup> Source: LaFleur's data for lottery sales in Calendar Year 2020; refers only to numerical and instants' contracts.

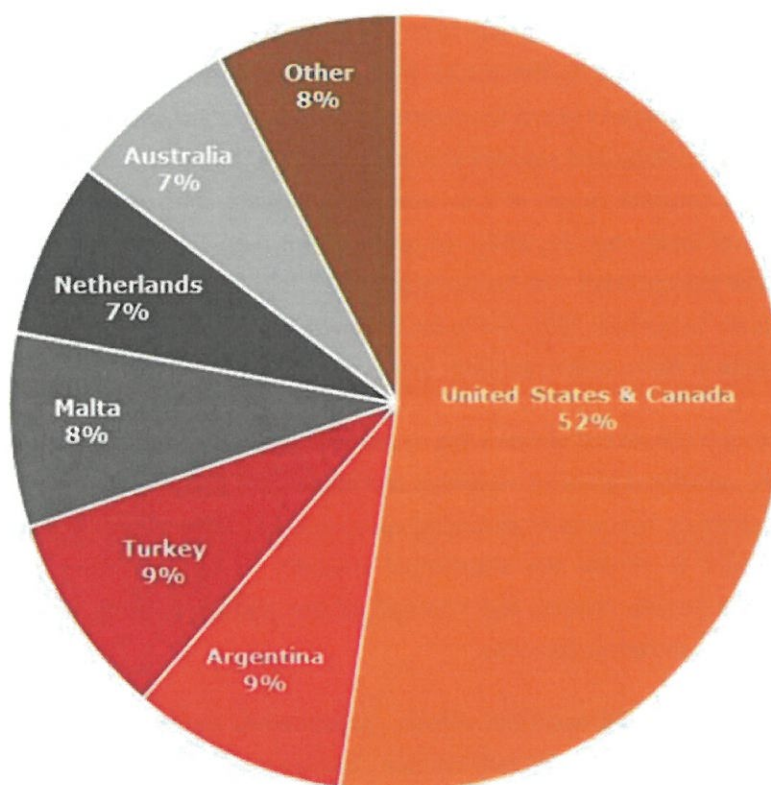
Among others, we hold the ISO 20000-1 certification on service management, the ISO 9001 certification on quality management and the ISO 14001 certification on environmental controls. We believe that our focus on data protection, game integrity and service quality towards our players and other stakeholders, will allow us to grow and retain our significant market position.

***Broad-based Diversification across Contracts, Geographies and Business Activities***

Our business is well-diversified across three core business activities of technology and support services, management contracts and licensed operations which are carried out across the world with our current focus on developed countries and mature markets. We currently have operations in 41 jurisdictions with 54 contracts.

**EBITDA by Geography in the twelve months**

**ended December 31, 2021<sup>(1)</sup>**



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(1) Chart figures are presented rounded and countries with negative EBITDA have been excluded from the presentation.

In the twelve months ended December 31, 2021, our total positive EBITDA (excluding countries with negative EBITDA) reached €148,6 million. Additionally, in the twelve months ended December 31, 2021,



Greek entities represented only 3,2% (1,7% from clients based in Greece) of our revenue. Furthermore, we benefit from the growing share of contracts in developed markets in our portfolio, where we benefit from stable recurring revenue through long-term contracts. We believe that our concentration on mature and resilient markets allows us to mitigate risks that are specific to certain markets and regions as well as the cyclical nature of the sports gaming industry. Moreover, we benefit from strong contract diversity with a diversified portfolio of 54 contracts and licenses, including: 50 technology and support services contracts, which comprised 74,1% of our revenue net of payout during the twelve months ended December 31, 2021; two (2) management contracts, which comprised 11,8% of our revenue net of payout during the same period; and two (2) licenses, which comprised 14,1% of our revenue net of payout during the same period.

### ***Highly Visible Recurring Revenues and Cashflows***

We believe that the long-term nature of our contracts and our strong track record of contract renewals provide us with significant revenue visibility. We estimate that approximately 35% (excluding extension options) of the adjusted revenue<sup>2</sup> for the year ended December 31, 2021, were generated through multi-year contracts or renewable licenses that are available to us until 2026 (although the actual revenue that may be generated in the future from these contracts may increase or decrease). For instance, our multi-year contracts in the Continental US have an average contract maturity of 6,6 years. The terms of our 50 technology and support services contracts range from 3 months to 15,8 years, with an average remaining contract length of 3,6 years (or 5,5 years considering certain of our customers' renewal options), as of December 31, 2021. In terms of our management contracts, Morocco after the recent amendment of the contract with La Marocaine Des Jeux et des Sports (MDJS) which was signed in March 2021 ends on December 2023, while for Bilyoner its current contract ends in August 2029. Our main license contracts in Malta and Argentina, have remaining tenors that range from 0,5 to 2,4 years.

We also have a strong track record of renewing or extending our contracts as they come up for renewal, as demonstrated by our recent contract renewals and extensions in the United States and beyond. Since 2008, we have successfully renewed or extended approximately 90% of our US contracts. Based on this experience, we expect to renew the substantial majority of our contracts upon their respective expirations, which we believe reflects the strength of our market position. In 2021 we secured the following renewals and contract extensions.

- contract extensions with the Ohio Lottery Commission, Vermont State Lottery and Wyoming Lottery Corporation for the implementation, operation, and maintenance of a Lottery Gaming System
- a one-year extension with Total Gaming Technologies Inc. concerning the lease of an online gaming system for the operation of Keno games throughout in Philippines
- extensions of our contracts in Australia, with Lotterywest, the State Lottery in Western Australia to continue to provide our lottery operating system and service

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<sup>2</sup> Adjusted revenue for the revenue visibility estimation, refer to FY21 revenue adjusted for the contribution of contract discontinuations and one-off revenue recognitions within 2021.

- a five-year extension with Caja Social de Santiago del Estero in Argentina in order to continue to provide lottery operating system and services
- a three-year extension of our current contract with Intralot de Peru SAC through 2024, to continue providing our gaming technology and support services
- a two-year contract extension with the Greek gaming operator OPAP for the provision of numerical lottery products and services up to July 2024

In addition to our exceptional product technology and service offerings, our track record of renewal is also supported by the fact that it is difficult for clients to switch technology or service providers due to high startup expense in on boarding new technology and replacing equipment (central systems and POS). Because the process to switch providers is lengthy and expensive, requiring advanced investment from a competitor in time, technology and equipment, we believe that we are ordinarily able to identify well in advance when a contract will not be renewed.

### ***Highly Scalable Asset-Light Operating Model***

Our latest technologies and delivery expertise, along with our flexible operational model, allow us to create standardized products, which can be efficiently and swiftly adapted for individual deployments. The underlying technologies utilized, and the features of our next generation solutions provide for operating margin expansion and moderating capital needs for new system installations.

Additionally, our track record of successfully partnering with local partners has improved our ability to expand our global reach, while minimizing required capital deployment and leveraging local expertise and existing business relationships to drive synergies and operating efficiencies.

Our scalable business model is supported by our advanced IT platform, which allows us to optimize product development by minimizing customization requirements during development while at the same time providing for further product adaptation ("micro tailoring") upon distribution, making our product offering more adaptable. Moreover, our recent landmark collaboration with Microsoft to utilize MS Azure's cloud-computing services, aims to empower INTRALOT with a cloud operating model that increases efficiencies and supports the rapid adaptation of our LotosX and Orion cloud-ready solutions achieving reduced time-to-market, immediate scalability, availability, and interoperability.

Our adaptable model enables us to provide technology to third-party operators, manage operations on behalf of licensees and hold and manage licenses directly as the IT platforms in various jurisdictions permit. It also enables us to address broader gaming sector trends such as increased demand for a personalized player experience, the development of a robust "all-in-one" gaming platform to ensure a unified customer experience converging land based and interactive channels, while offering personalized game offerings and content, and the shift towards mobile as the primary access point to online retail in the gaming sector.

Our "asset-light" operating model is also focused on expanding the scope of our contracts in our target markets. Due to the recent global trend towards regulation of previously restricted forms of gaming driven by State budget deficits and increased demand for social welfare spending, we are able to expand



the scope of our contracts by leveraging our technologies, our cross-vertical expertise and delivery capabilities. A key example of this business development approach is the US market, where we succeeded to expand the scope of our lottery contracts and engage with lottery-run sports betting in three States, already launching two sports betting under the State Lottery projects.

Moreover, and as part of our “asset-light” model, we pursue opportunities and enter new markets through partnerships with local operators, which allow us to share financial and operational risk, reduce capital investments and acquire new contracts and customers through our local partners’ relationships. Historically, we sought to enter new markets on our own. However, in recent years we have established a rigorous evaluation process for identifying potential partners in new target markets. We believe these partnerships provide the best means to grow and operate efficiently in certain local markets, as we can benefit from our partners’ local relationships, extensive know-how and access to capital.

### ***Strong and Experienced Management Team***

We have a seasoned and experienced management team, many of whom have been with the Company since its establishment. Our management team involved in the strategic planning and management of our day-to-day operations, has extensive experience in the industry while demonstrating a strong technology background and a strategic perspective of the international gaming industry. Under our Executive Management’s leadership, the company has been able to early identify the industry shaping trends and pursue opportunities of long-term strategic value with significant revenue generation potential before our competitors.

Our management team during the recent years has successfully refocused the operating model of the Company on maintaining our leadership position in technology innovation and delivery. The organizational changes implemented were aimed at supporting sustainable growth, through improving operational efficiency and enhancing profitability across our operations. Moreover, the realignment of resources has underpinned our efforts to successfully deliver our next generation technologies for the projects recently contracted. In 2021, we continued to implement our Management’s strategic direction for portfolio restructuring, in order to concentrate on developed and resilient markets.

Since 2011, Management has begun shifting our operations from the greater Balkan region to more advanced economies, such as the United States, Oceania, and the European Union. Management has also refocused the operating model of the Company on establishing strong partnerships with local partners who can facilitate our growth in certain target markets, while also helping to operate more efficiently and lowering capital expenditures. In addition, our contract management approach adopted by our Management promotes the strategic consideration of potential as well as existing contracts to optimize long-term cash generation.

### ***Best-in-Class Risk Management and Corporate Controls***

We are exposed to a variety of risks including game pay-out risk and compliance risk. Our overall risk management strategy seeks to minimize potential adverse effects on both our financial performance, as well as our credibility and reputation.

Our primary game payout exposure comes from our global sports betting operations. We manage this financial risk through best-in-class local odds setting, as well as a main betting center in Greece, complemented by betting centers in Taiwan and Germany, that control our global fixed-odds betting activity and payout policy on a real-time basis. Our sports betting portfolio represented approximately 17,2% of our total revenue for the twelve months ended December 31, 2021, and we have a long track record of successfully managing payout risk. See "INTRALOT Solutions, Products and Services/Services/Sports Betting Risk Management and Footprint". We also enter into risk exchange agreements with major international betting operators and early warning systems, as appropriate and applicable, when possible to further reduce our potential exposure.

Furthermore, we have rigorous internal controls and compliance procedures that are in line with listing standards and international best practices for cash management and legal and regulatory compliance. These include procedures to monitor transactions, maintain key back-up procedures and regular contingency planning, as well as internal audits and procedures to detect money laundering. All these procedures are facilitated by our central system solutions, that control and track all our operations.

***Strong and growing presence in the United States, driven by proactive client management and leading product and technology offerings***

*Proactive client management leading to increased revenues*

The United States, and more widely North America, has become the key jurisdiction for our Group and a key part of our future growth strategy. Apart from our success in this region, the United States represent a large and attractive market, with advanced and stable regulatory frameworks and a long tradition in promoting and regulating profitable gaming operations. Most significantly it is a market with large untapped potential for sports betting and i-Lottery gaming which is currently being regulated across States. According to H2GC, GGR in North America is estimated at €117,9 billion in 2021, close to 2019 level of GGR at €120,2 billion, before the COVID-19 pandemic impact. To capitalize on this market, we have undergone rapid growth in the United States since 2015, whereby we have embarked on an aggressive strategy that involves increasing revenue on contracts through procurement processes, extending contracts where possible and profitable, and adding new contracts. This success has been driven by our proactive portfolio management, whereby we examine and speak with our customers in order to better understand their needs in today's ever-changing, revenue-driven economy. This type of engagement has typically led to contract extensions and increased revenue opportunities with current customers. Recent examples of such successes within the year 2021 include the contract extension through to 2023 with the Ohio Lottery Commission, as well as the extension of our contract with the Vermont and Wyoming Lottery to provide lottery solutions and services.

In addition, we have repositioned as a technology-driven organization with solution delivery expertise focused on the growth of our customers, which we believe has allowed us to obtain key new client wins/extensions. We continue to add to our portfolio by positioning ourselves not as a commodity product vendor, but rather as a valued business partner.



As one of three primary competitors in the US lottery industry, innovation is critical and INTRALOT continues to be a leader. INTRALOT has led the industry in the three (out of four) state lottery start-ups, establishing the Arkansas Lottery, Wyoming lottery, and Georgia Coin Operated Amusement Machines (approximately 29,000 devices) and not only selling in record time, but also sustaining and increasing sales since initiation.

*Leading product and technology offerings*

The lottery gaming landscape is changing, and we have positioned ourselves to not only assist our customers through this change, but to lead the industry in adapting to this change. As a marketing-driven organization, we believe that we lead the entire US lottery industry in re-examining lottery gaming portfolios and conducting extensive portfolio analysis, each of which has enhanced our product offering and our ability to earn new client wins.

We continue to set the pace for the industry as the recognized self-service leader. We have further expanded our self-service portfolio and footprint, with Winstation30, the only vending terminal able to dispense up to 30 instant tickets and Dreamtouch Smart, the first instant ticket vending terminal in the market for purchasing unlimited draw-based games and up to 25 instant tickets while our multi-purpose vending machines (which were previously deployed in four US States) have now been deployed in two more States, bringing the total of self-service terminals deployed in the field to over 12,800. Years of experience and constant feedback from the field of operations enabled INTRALOT to develop a modern portfolio of high-end self-service terminals and software. INTRALOT's self-service terminal solutions represent a new, exciting sales channel for retail operators that bridge the gap between the online and retail customers.

The most recent example of our ability to influence the mindset of our US Lottery customers is undoubtedly the wide adoption of sports betting. We strongly pursue to convince our Lottery customers to jointly **implement** and operate **sports betting** in the post-PASPA market landscape. For this compelling, exponential growth opportunity we believe we are well positioned and equipped based on our proven record of global deployment and operation expertise. Additionally, our latest INTRALOT Orion solution, offers the needed adaptability to cover any US State regulation (retail only/mobile on property/full mobile/omnichannel) and has been certified with the applicable US standard (GLI-33). It is noteworthy that since 2020, we have an agreement with Major League Baseball to become an Authorized Gaming Operator of MLB, which provides us with immediate access to MLB's Official Data. This agreement, coupled with our existing partnerships, will benefit our US State lottery customers and their players by providing them with engaging sports betting experience on both retail and online platforms. Moreover, in our effort to further tailor our sports betting offering for the US market and player preferences, we have partnered with a specialized third party provider to offer new in-play, real money betting micro-market betting opportunities for NFL, MLB, and NBA. Further to these initiatives, within 1H21 we have established two important partnerships, the first with sports betting technology supplier Algosport to provide us with its industry-best bet builder products for pre-match football and in-play betting options across a variety of sports, and the second with game specialist Incentive Games, to launch a collection of free-to-play games on INTRALOT's betting products for the Montana and Washington DC lotteries.

As proof of our sports betting capabilities, we are being recognized as the vendor of choice for lottery-run sports betting in the United States, as we are engaged in the majority for such lottery ventures in the country. Since the successful launch of Sports Betting in Washington DC and Montana in 2020, their full year performance in 2021, proves our capability to successfully operate sports betting in the growing US Sports betting market.

## Financial Review

### Financial Highlights<sup>3</sup>

The strong revenue growth achieved from the provision of services (+26,1% y-o-y), contributing 97,6%, has been offset by the lower value of merchandise sales (-59,8% y-o-y), contribution of 2,4%, thus settling total revenue growth at +20,0% or +€69,1 million in 2021. US operations remain the dominant force behind our revenue surge, signaling that our Group is well positioned to capitalize on its existing US contracts, while our operations in Malta, Argentina, Australia, Turkey and Morocco have managed to recover from the COVID-19 pandemic implications. From an EBITDA performance perspective, we have managed to sustain our cost containment initiatives and further boost our operating profitability margins by generating an EBITDA growth of 66,9% or +€44,2 million compared to 2020.

<b>Financial Data<sup>4</sup></b> <i>(in € million)</i>	<b>FY 2021</b>	<b>FY 2020</b>	<b>% Change</b>
Revenue (Sale Proceeds)	<b>414,0</b>	<b>344,9</b>	<b>20,0%</b>
Licensed Operations	133,1	99,8	33,3%
Management Contracts	47,5	33,6	41,3%
Technology and Support Services	233,5	211,5	10,4%
GGR	335,3	285,4	17,5%
Gross Profit	119,4	73,2	63,2%
Gross Profit Margin (%)	28,9%	21,2%	+ 7,6pps
EBITDA	110,4	66,2	66,9%
EBITDA Margin on Sales (%)	26,7%	19,2%	+ 7,5pps
EBITDA Margin on GGR (%)	32,9%	23,2%	+ 9,7pps
Adjusted EBITDA <sup>5</sup>	84,4	55,9	51,0%
EBT (Profit/(loss) before tax from continuing operations)	37,1	(91,9)	n/a
EBT Margin (%)	9,0%	-26,6%	n/a
NIATMI (Profit/(loss) after tax attributable to the equity holders of the parent company from continuing operations)	26,6	(102,9)	n/a

<sup>3</sup> For additional information on the Group's performance, please also consult the Management Discussion and Analysis Report published on our website.

<sup>4</sup> The activities of Group subsidiaries in Poland (Totolotek S.A.), in Bulgaria (Bilot EOOD, Eurofootball Ltd, Bilot Investment Ltd, Eurobet Ltd, Eurobet Trading Ltd, ICS S.A.), in Brazil (Intralot do Brazil Ltda) and Peru (Intralot de Peru SAC) are presented as discontinued operations pursuant to IFRS 5 (note 2.31.A.VIII).

<sup>5</sup> Calculated as Proportionate EBITDA of fully consolidated entities including EBITDA from equity investments in Taiwan.



## Revenue, GGR, EBITDA, EBT and NIATMI

Reported consolidated revenue posted an increase compared to FY20, leading to total revenue for the twelve-month period ended December 31, 2021, of €414,0 million (+20,0%).

- Lottery Games was the largest contributor to our top line, comprising 61,2% of our revenue, followed by Sports Betting, contributing 17,2%, to Group turnover. Technology Contracts accounted for 12,0% and VLTs represented 9,1% of Group turnover, while Racing constituted 0,5% of total revenue for FY21.

Reported consolidated revenue for the twelve-month period is higher by €69,1 million year over year. The main factors that drove top line performance per Business Activity are:

- €+33,2 million (+33,3%) from our Licensed Operations (B2C) activity line, with the increase attributed to higher revenue in Malta (€+17,9 million or +23,1% y-o-y; mainly COVID-19 impact) and Argentina (€+15,4 million or +68,9% y-o-y; driven by local market growth and COVID-19 impact).
- €+22,0 million (+10,4%) from our Technology and Support Services (B2B/ B2G) activity line, with the increase attributed to US operations (€+16,6 million; revenue from services exhibited +18,5% y-o-y), Australia (€+4,5 million; mainly COVID-19 impact), Croatia (€+2,7 million; driven by the implementation of the lottery solution in Hrvatska Lutrija), and a negative impact in other jurisdictions (€-1,8 million; due to merchandise sales).
- €+13,9 million (+41,3%) from our Management (B2B / B2G) contracts activity line, with the increase driven by Bilyoner in Turkey (€+6,6 million; ongoing online market growth), Morocco (€+3,9 million; market growth and COVID-19 impact), and US Sports Betting in Montana and Washington D.C. (€+3,3 million).

**Gross Gaming Revenue (GGR)** from continuing operations posted an increase of 17,5% (€+49,9 million to €335,3 million) year over year, driven by:

- the increase in the non-payout related GGR (€+39,4 million vs. FY20), following mainly the increased top line contribution of our Management contracts in US, Turkey and Morocco, and
- the increase in our payout related GGR (€+10,5 million vs. FY20), driven mainly by the COVID-19 impact across our Licensed Operations<sup>6</sup> in Malta and Argentina. FY21 Average Payout Ratio<sup>7</sup> was higher by 0,9pps vs. LY (61,3% vs. 60,4%), primarily due to Malta's weighted contribution.

Total **Operating Expenses** ended higher by €9,2 million (or +10,0%) in FY21 (€101,6 million vs. €92,4 million). Excluding the increased D&A expenses (€6,9 million) in Turkey, where Bilyoner renewed its license until 2029, and Morocco, amended its license depreciation useful life to match the new contract

<sup>6</sup> Licensed Operations Revenue also include a small portion of non-Payout related revenue, i.e. value-added services, which totalled €4,7m and €1,2m for FY21 and FY20 respectively.

<sup>7</sup> Payout ratio calculation excludes the IFRS 15 impact for payments to customers.

termination date, Operating Expenses ended higher by €2,4 million as a result of the improved top-line performance across all regions, offsetting the continued cost savings at HQ level.

**Other Operating Income** from continuing operations ended at €21,6 million, presenting an increase of 23,8% y-o-y (or €+4,2 million), driven by higher equipment lease income in the USA.

**EBITDA**<sup>8</sup> from continuing operations amounted to €110,4 million in FY21, posting an increase of 66,9% (or €+44,2 million) compared to FY20. The main drivers underpinning this performance are attributed to the strong growth in our US operations (primarily due to increased players' spending), the recovery from COVID-19 related slowdown, the boosted performance in Turkey and Argentina, and the continuation of our cost containment initiatives.

On a yearly basis, **EBITDA margin on sales** improved to 26,7% (+7,5pps from 19,2% in FY20) following a strong top line performance accompanied with ongoing cost savings initiatives.

**Adjusted EBITDA** presented a year over year increase of 51,0%, concluding to €84,1 million, from €55,9 million in FY20.

**Earnings before Tax** in FY21 totaled €37,1 million, compared to €-91,9 million in FY20, with the key drivers of the improvement being:

- the improved results from participations and investments (€+49,0 million y-o-y), depicting the gain from the balance sheet optimization transaction that concluded within 3Q21 (gain of €43,0 million from the exchange of 34,27% of the share capital of Intralot US Securities B.V., indirectly parent company of Intralot Inc., with the bondholders of 2024 SUNs contolling €118,2 million of its nominal value),
- the gain arising from the balance sheet optimization transaction recorded in interest income (€+45,8 million y-o-y),
- the impact of the increased EBITDA (€+44,2 million vs. FY20),
- the better FX results (€+7,5 million vs. FY20), as a result of the valuation of cash balances in foreign currency other than the functional currency of each entity, the valuation of commercial and borrowing liabilities of various subsidiaries abroad in EUR, as well as the positive effect from the reclassification of FX reserves to Income Statement applying IFRS 10,
- the benefit from lower losses due to asset impairments (€+4,7 million y-o-y),
- the improved share of net results from the equity method consolidation of associates (€+1,7 million vs. FY20), attributable to the non-consolidation of associates' losses in Asia, following their impairment in the previous year as a result of the COVID-19 pandemic.

With the increase at EBT level being partially offset by:

- the higher interest expenses in FY21 following the settlement of the balance sheet optimization transaction (€-11,0 million vs. FY20),
- the higher capital structure optimization expenses in FY21 (€-10,4 million vs. FY20), and

<sup>8</sup> Analysis in the EBITDA section excludes Depreciation & Amortization, and expenditures related to capital structure optimization.



- the higher D&A (€+3,1 million y-o-y), mainly due to Bilyoner and Morocco.

**NIATMI** (*Net Income After Tax and Minority Interest*) from continuing operations in FY21 concluded at €26,6 million, compared to €-102,9 million in FY20. NIATMI from total operations in FY21 amounted to €17,5 million (higher by €123,5 million vs. a year ago), including the performance of the discontinued operations (Poland, Bulgaria, Peru and Brazil).

### Cash Flow & Net Debt

Statement of Financial Position/Cash Flows (in € million)	FY21	FY20
Total Assets	605,5	648,9
Total Equity	-115,5	-216,8
Cash & Cash Equivalents	107,3	100,0
Partnerships <sup>9</sup>	9,7	13,8
All other Operating Entities (with revenue contracts) & Headquarters	97,7	86,2
Net Debt	497,2	651,1
	FY21	FY20
Operating Cash Flows	107,6	44,5
Net Capital Expenditure	-22,9	-35,9

**Operating Cash-flow** in FY21 amounted to €107,6 million, increased by €63,1 million, compared to FY20. Excluding the operating cash-flow contribution of our discontinued operations (mainly Bulgaria and Brazil), the cash-flow from operating activities is higher by €64,8 million vs. a year ago and is largely driven by the higher recorded EBITDA y-o-y from continuing operations (€+44,2 million) and the positive variance in Income Tax flows (€+18,3 million), attributed to Income Tax returns during the current period vs. payments in FY20.

**Adjusted Free Cash Flow<sup>10</sup>** in FY21 increased by €64,7 million to €59,6 million, compared to €-5,1 million a year ago. The main contributors to this variance were the higher recorded EBITDA (€+44,2 million y-o-y) and the positive swing in the Income Tax flows (€+18,3 million), attributed to the Parent company, following an income tax return in 1Q21 vs. payments in the prior period – tax audit driven. On a quarterly basis, Adjusted Free Cash Flow concluded at €26,9 million, higher by €9,9 million vs. 4Q20, mainly due to the higher recorded EBITDA (€+6,9 million y-o-y), the positive swing in the Income Taxes Paid (€+1,4 million), and the lower dividends paid by €1,2 million.

<sup>9</sup> Refers to stakes in Turkey (Bilyoner) and Argentina

<sup>10</sup> Calculated as EBITDA – Maintenance CAPEX – Cash Taxes – Net Cash Finance Charges (excluding refinancing charges) – Net Dividends Paid; all finance metrics exclude the impact of discontinued operations.

**Net Capex** in FY21 was €22,9 million, lower by 36,2% compared to Net CAPEX of €35,9 million in FY20. Headline CAPEX items in FY21 include €2,7 million towards R&D and project pipeline delivery, €12,7 million in the US, €1,9 million towards Bilyoner's contract renewal and €1,2 million investment for Croatia's new contract. All other net additions amount to €4,4 million for FY21. Maintenance CAPEX accounted for €10,9 million, or 47,6% of the overall capital expenditure in FY21, from €7,6 million or 21,2% in FY20.

**Net Debt**, as of December 31st, 2021, stood at €497,2 million, decreased by €153,9 million compared to December 31st, 2020 (€651,1 million). The Net Debt movement was impacted primarily by the successful deleverage (€-162,5 million) following the completion of the agreement with our noteholders for balance sheet optimization purposes, the normal course of business (€-33,3 million), the Net Investments (€-10,3 million, referring mainly to Intralot de Peru SAC sale impact), as well as an income tax return in the first quarter of 2021 related to the Parent Company tax audit payments of the previous periods (€-5,2 million). The Net Debt decrease was only partially offset by the payments towards the Capital Structure Optimization (€+33,5 million, incl. the redemption fees recorded in interest and similar charges paid), other debt related movements (€+16,0 million), and the investments towards the growth of our business, mainly for R&D and our projects in the US and Croatia (€+7,8 million).

**Cash and cash equivalents** at the end of FY21 increased by €7,3 million vs. FY20.

The Group's financial covenant with respect to Net Debt to EBITDA (Leverage ratio) is:

Financial Covenants	FY 2021
Leverage ratio	4,50

### Our Key Gaming Markets Performance<sup>11</sup>

#### **United States and Canada**

In the United States, we provide technology and support services to state lotteries through our wholly owned subsidiary Intralot Inc., which was established in December 2001. We are one of the only three vendors who hold contracts with the state lotteries for the supply of online gaming systems, retailer communication networks, and point of sale equipment, such as terminals and vending machines. We became the first non-U.S. company to win a tender for the supply of lottery systems, when we won a contract to supply the Nebraska state lottery in 2003. Intralot Tech, a 100% subsidiary of Intralot Inc., was established in 2019 as USA's development hub in Greece, and complements its existing central functions in Atlanta and Mason, while diminishing the reliance of Intralot Inc. from the HQ functions,

<sup>11</sup> Financial figures refer to the subsidiaries' contribution to the Group and exclude non-operating entities in each of the countries presented.



therefore enhancing its delivery capabilities, targeting to retain and enhancing the quality of the existing services offered in the US jurisdiction.

In the continental US, we currently operate 12 contracts in 12 states, holding contracts for the supply and operation of online lottery gaming systems in Illinois, Ohio, Louisiana, Arkansas, New Hampshire, Idaho, Vermont, Wyoming, Montana, New Mexico and Washington, D.C. We also hold a contract for the provision of central monitoring services for more than 29,000 Coin Operated Amusement Machines in Georgia. In Ohio, in addition to providing the central systems, terminals, equipment, vending machines and retailer network communications, we also provide central monitoring services for seven racinos operating video lottery terminals (VLTs). Furthermore, in May 2019 INTRALOT entered in the Canadian market through a new contract with the British Columbia Lottery Corporation, which operates lottery on behalf of the Government of British Columbia, for the provision of software, hardware and support services.

2020 marked the year where INTRALOT broke ground in the newly regulated and prominent US Sports Betting market. In early May, "Sports Bet Montana" in Montana of USA was launched. INTRALOT deployed in Montana its new INTRALOT Orion sports betting platform to enable the Montana Lottery's sports wagering self-service terminals and mobile sports wagering offering. In addition, INTRALOT provides to the Montana Lottery a complete suite of services, such as Managed Trading and Marketing Services (MTMS) and Customer Support (CS). Then, in early June, the Digital Sports Betting solution in Washington, DC, was also launched. INTRALOT, as part of its current contract with the DC Lottery, deployed its new INTRALOT Orion sports betting platform to enable the GambetDC mobile and desktop sports betting offering. A third Sport Betting launch, that of New Hampshire, is expected to go live within 2022. Towards strengthening its US Sports Betting offering, INTRALOT Inc. signed an agreement with Major League Baseball (MLB) to become an Authorized Gaming Operator of MLB, just in time for the start of 2020 60-game regular season. The new deal provides INTRALOT Inc. with immediate access to MLB's Official data, marks, and logos for its Sports Wagering platforms.

We have a strong track record in renewing and extending our contracts in the US, thus securing a long-term presence in the country. More specifically, in July 2018, Intralot announced a five-year extension to its current gaming systems contract with the New Hampshire Lottery Commission, through June 2025, while in late November 2019, a contract extension was signed for the provision of Sports Betting solutions to the New Hampshire Lottery Commission. Furthermore, in November 2018, we renewed our contract with the New Mexico Lottery for 2 more years, up to November 2025. In October 2020, a contract extension was signed through 2029 to continue Intralot Inc.'s six-year partnership with the Georgia Lottery Corporation, providing advanced services for the operation of its COAM (Coin Operated Amusement Machines) project. One more development as per contracts extension was realized in June 2021, with the renewal of the existing contract with the Ohio Lottery Commission until June 2023. Additionally, in late 2021, Intralot Inc. renewed the current contract with the Wyoming Lottery until August 2029. Recently, Intralot Inc. has renewed its existing contract with the Washington D.C. Lottery for 5 years, with a 5-year extension option. The new contract is effective since October 2019 and Intralot will continue to supply the Washington D.C. Lottery with its Lotos gaming and instant ticket management system, as well as support the Lottery's opening to the regulated Sports Betting wagering market. Last

but not least, in October 2021, INTRALOT announced that its U.S. subsidiary, INTRALOT, Inc., signed a contract extension with the Vermont Lottery, up to September 2022.

In 2021, our sales in the United States and Canada reached €152,3 million, posting a significant increase of 14,6%, over the prior year, when our revenue amounted to €132,8 million. This over-performance is mainly attributed to the strong growth of Lottery and VLT segments, as well as the higher revenue contribution of our new sports betting contracts in Montana and Washington D.C., which fully absorbed the lower merchandise sales and the effect from the adverse USD movement (3,5% Euro appreciation versus a year ago – in YTD average terms). Revenue of the United States and Canada for the twelve months ended December 31, 2021 stands for the 36,8% of the Group's total revenue.

<b><u>Key Consolidated Financial Figures<sup>12</sup></u></b>	<b><u>FY 2021</u></b>	<b><u>FY 2020</u></b>	<b><u>Δ%</u></b>
<i>(in € million)</i>			
Revenue	152,3	132,8	14,6%
GGR	152,3	132,8	14,6%
EBITDA	74,6	51,6	44,8%
CAPEX (Paid)	13,1	13,8	-4,7%

<b><u>Key Standalone Balance Sheet Figures</u></b>	<b><u>FY 2021</u></b>	<b><u>FY 2020</u></b>
<b>Intralot Inc</b>		
<i>(in € million)</i>		
Assets	265,9	236,1
Liabilities	263,1	98,4
Cash – Cash Equivalents	45,2	10,2
<b>DC09 LLC</b>		
<i>(in € million)</i>		
Assets	10,1	8,9
Liabilities	17,6	15,3
Cash – Cash Equivalents	2,8	2,0
<b>Intralot Tech</b>		
<i>(in € million)</i>		
Assets	0,6	1,0
Liabilities	0,2	0,9
Cash – Cash Equivalents	0,1	0,3

<sup>12</sup> US Income Statement and CAPEX figures exclude the impact of the Philippines project that is consolidated under Intralot Inc.; Standalone Balance Sheet figures on the other hand, include the impact of the Philippines business.



## **Greece**

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 31st, 2021. As such, Headquarters expenses serve the different projects of INTRALOT S.A, 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 as supporting INTRALOT's subsidiaries and R&D efforts.

Our relationship with Greek Organization of Football Prognostics S.A. (OPAP) began in 1999. On July 31st, 2018, the old OPAP contract ended, and the two parties continue their cooperation under a new contract, specifically in the field of numerical lotteries games, resulting in a smaller contract value due to the limited scope. The new contract is a 3-year contract that also includes an option for OPAP to renew for an additional two years. On January 14th, 2021, INTRALOT announced the extension of its partnership with OPAP. More specifically, OPAP exercised its two-year extension option of the contract with INTRALOT for the continuation of the collaboration of the two companies in the field of numerical lotteries and services from August 2021 to July 2023. Furthermore, on December 2, 2021, we extended our current contract with OPAP for an additional year, up to 31st of July 2024. These extensions allow INTRALOT to continue providing its state-of-the-art Lottery Solution, that incorporates its novel core platform "LotosX", launched with great success in 2019, along with several other components and high-quality services.

On July 26, 2013, in connection with our participation in a joint venture for a 12 year concession for the management of the Hellenic State Lotteries in Greece, we also signed a set of contracts with the joint venture (the company Hellenic Lotteries S.A. which was incorporated by the consortium members) to provide the IT infrastructure, technical services and logistics to operate the Hellenic State Lottery Tickets and also a contract to develop and manage a new sales network for selling the Hellenic State Lottery Tickets. INTRALOT also signed an amendment to its existing services provision agreement with Hellenic Lotteries S.A. under renegotiated terms and conditions, in the second half of 2019. In mid-September 2019, INTRALOT finalized the disposal of its shares in Hellenic Lotteries S.A. to "OPAP Investment Limited", for a price of €20,0 million.

In the first half of 2021, INTRALOT sold its 20% stake in Intralot de Peru SAC for a cash consideration of USD21 million to Nexus Group, along with a three-year extension of its current contract with Intralot de Peru SAC through 2024, related to the provision of gaming technology and support services. The net cash consideration, after taxes and transaction expenses, amounted to USD16,2 million.

Revenue from Greek operations in 2021 was €13,4 million, compared to €14,0 million in the prior year, accounting for 3,2% of the Group's total revenue in the twelve months ended December 31, 2021. The top line deficit in 2021 is primarily impacted by lower rendering of services and merchandise sales.

<b>Key Consolidated Financial Figures</b>	<b>FY 2021</b>	<b>FY 2020</b>	<b>Δ%</b>
<i>(in € million)</i>			
Revenue	13,4	14,0	-4,4%
GGR	13,4	14,0	-4,4%
EBITDA	-28,1	-29,4	-4,2%
CAPEX (Paid)	1,9	10,2	-81,0%

<b>Key Standalone Balance Sheet Figures</b>	<b>FY 2021</b>	<b>FY 2020</b>
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**INTRALOT SA**

*(in € million)*

Assets	344,5	371,4
Liabilities	306,9	363,6
Cash – Cash Equivalents	8,3	8,0

**Intralot Services SA**

*(in € million)*

Assets	0,3	0,4
Liabilities	0,0	0,0
Cash – Cash Equivalents	0,0	0,1

**Betting Company SA**

*(in € million)*

Assets	6,3	6,5
Liabilities	2,4	3,1
Cash – Cash Equivalents	0,4	0,7

**Intralot Interactive**

*(in € million)*

Assets	0,1	0,8
Liabilities	0,1	0,7
Cash – Cash Equivalents	0,1	0,4

**Argentina**

In Argentina, we provide technology support and support services mainly for the operation of lottery games and sports betting in 10 of the 23 jurisdictions in the country, and we are the lottery operator for the Province of Salta. We entered the market when we acquired a majority stake (50,01%) in our subsidiary Tecno Accion in 2007. We facilitate approximately 7.400 terminals throughout Argentina and operate approximately 800 terminals in Salta.

Through Tecno Accion, we offer integrated technology solutions for lottery organizations, such as portable terminals, provide gaming software and trade management systems and communication



consultancy. In Salta, we act as the sole lottery operator in the province, with 13 numerical games. Our partners in Tecno Accion are HAPSA, the operator of horse racing (and CASINO HAPSA) in Buenos Aires, and the Inverclub, which manages casinos.

Our revenue from the Argentina facility management business in 2021 reached €16,7 million, versus €11,3 million in 2020. The lottery operator business generated sales of €37,7 million in 2021, compared to €22,3 million in 2020, posting an increase of +68,9%, mainly impacted by local market growth as well as the COVID-19 pandemic in the previous year. Our total revenue in Argentina for 2021 was €54,3 million compared to €33,6 million during the same period last year. Argentina's revenue in the twelve months ended December 31, 2021 represented 13,1% of INTRALOT Group's total revenue.

<b><u>Key Consolidated Financial Figures<sup>13</sup></u></b>	<b><u>FY 2021</u></b>	<b><u>FY 2020</u></b>	<b><u>Δ%</u></b>
<i>(in € million)</i>			
Revenue	54,3	33,6	61,6%
GGR	34,5	20,8	65,6%
EBITDA	13,3	7,9	69,5%
CAPEX (Paid)	1,0	0,4	126,9%

<b><u>Key Standalone Balance Sheet Figures</u></b>	<b><u>FY 2021</u></b>	<b><u>FY 2020</u></b>
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**Tecno Accion SA**

*(in € million)*

Assets	12,2	9,4
Liabilities	4,3	3,3
Cash – Cash Equivalents	1,2	1,9

**TecnoAccion Salta SA**

*(in € million)*

Assets	4,7	2,3
Liabilities	2,2	1,0
Cash – Cash Equivalents	2,3	1,2

**Oceania**

We originally entered the Australian market in 2006, where we currently provide technology and support services in two jurisdictions through our wholly owned subsidiaries Intralot Australia Pty Ltd and Intralot Gaming Services Pty Ltd.

In Victoria, IGS supplies a remote monitoring system to control over 26.000 gaming machines under a 15 year contract signed in September 2011 with the State of Victoria. Our monitoring system is designed to ensure the accurate and uninterrupted monitoring of gaming machine transactions, single and multiple venue linked jackpot arrangements, and the capture of data and information with respect to gaming machines for regulatory, taxation, research and related purposes. In addition, conformance with

<sup>13</sup> Argentina figures have been restated based on IAS 29 (Financial Reporting in Hyperinflationary Economies) as to reflect current purchasing power.

the state wide pre commitment system (PCS) has been in place since December 2015 and has increased the monitoring of revenue substantially. IGS will operate the pre commitment scheme up to the end of the monitoring license referred above, which expires in August 2027.

In Western Australia, we provide the information technology and systems support for the Lotteries Commission of Western Australia (Lotterywest), in order to enable Lotterywest's retail and online gaming sales, through our wholly owned subsidiary Intralot Australia Pty Ltd. Since 2014, we have provided support services for Lotterywest in its Retail Transformation Program (RTP) and secured an extension of our ongoing contract till 2026.

In New Zealand, we provide technology and support services through our wholly owned subsidiary Intralot New Zealand Ltd Operations, which was first awarded the government contract in 2005. To the government we provide an electronic monitoring system to link approximately 16.000 electronic gaming machines (EGMs) in more than 1.100 locations. The electronic monitoring system is designed to guarantee the integrity of games and limit opportunities for fraud. Our contract was extended in 2016 up to 2022, while in 2020 was further extended up to 2025 with a one-year extension option. Additionally, in 2010 we were awarded the development and operation of an Integrated Gambling Platform responsible for electronic licensing with the contract ended in February 2021.

Revenue for 2021 from our Oceania operations has increased by +24,0%, amounting to €18,9 million, versus €15,3 million in 2020. The increase in Oceania's revenue mainly depicts the lower COVID-19 related impact in current year results versus the prior year. Revenue recovery fully absorbed a one-off merchadize sale in 1Q20 and the negative impact in New Zealand (-19,3%, on revenues) from the contract end of Integrated Gambling Platform in February of the current year. Revenue from our Oceania operations in the twelve months ended December 31, 2021, represented 4,6% of INTRALOT Group's total revenue.

<b><u>Key Consolidated Financial Figures</u></b>	<b><u>FY 2021</u></b>	<b><u>FY 2020</u></b>	<b><u>Δ%</u></b>
<i>(in € million)</i>			
Revenue	18,9	15,3	24,0%
GGR	18,9	15,3	24,0%
EBITDA	12,6	8,9	41,2%
CAPEX (Paid)	1,0	2,2	-54,4%

<b><u>Key Standalone Balance Sheet Figures</u></b>	<b><u>FY 2021</u></b>	<b><u>FY 2020</u></b>
<b>Intralot Gaming Services Pty Ltd (IGS)</b>		
<i>(in € million)</i>		
Assets	12,3	14,6
Liabilities	7,3	8,0
Cash – Cash Equivalentents	2,1	0,2



**Intralot Australia PTY Ltd**

*(in € million)*

Assets	6,5	7,4
Liabilities	0,9	2,1
Cash – Cash Equivalents	0,7	2,4

**Intralot New Zealand Ltd**

*(in € million)*

Assets	2,0	2,2
Liabilities	0,9	1,1
Cash – Cash Equivalents	0,8	0,8

**Turkey**

In Turkey, we currently own approximately 50,01% of Bilyoner, one of the leading online distributors of sports betting games in Turkey. Bilyoner, along with five other online providers, distributes the games of Spor Toto. Bilyoner was established in 2003 and had approximately 4,2 million registered players as of December 31, 2021. Bilyoner’s license agreement has been renewed and is valid till August 2029.

Bilyoner’s revenue increased to €27,8 million in 2021, from €20,7 million over the same period last year, favored by the continued growth of the online market. In FY21, the Sports Betting market expanded 1,7 times y-o-y, with the online segment representing close to 89,0% of the market. Bilyoner’s operations were adversely affected by the local currency devaluation (30,5% Euro appreciation versus a year ago – in average YTD terms). In Turkish Lira terms, Bilyoner’s revenue showcased a +75,4% increase versus 2020 (in Euro terms Bilyoner’s revenue increase by +34,6%). Bilyoner’s revenue represented 6,7% of INTRALOT Group’s total revenue for the twelve months ended December 31, 2021.

**Key Consolidated Financial Figures**

*(in € million)*

	<b><u>FY 2021</u></b>	<b><u>FY 2020</u></b>	<b><u>Δ%</u></b>
Revenue	27,8	20,7	34,6%
GGR	27,8	20,7	34,6%
EBITDA	12,7	7,8	63,6%
CAPEX (Paid)	1,9	0,5	301,0%

**Key Standalone Balance Sheet Figures**

**Bilyoner AS**

*(in € million)*

	<b><u>FY 2021</u></b>	<b><u>FY 2020</u></b>
Assets	44,5	17,1
Liabilities	40,5	11,4
Cash – Cash Equivalents	6,2	10,6

## **Morocco**

We founded Intralot Maroc S.A. in 2010, with 100% of shares held by INTRALOT S.A. Intralot Maroc supports the operation of all games of the Moroccan lottery Marocaine des Jeux et des Sports (MDJS). The lottery operates a broad gaming portfolio that ranges from sports betting and numerical games, to instants and fast draw entertainment games, with a distribution network of over 1.400 points of sale throughout Morocco.

Intralot Maroc has been offering its products and services to MDJS since 2010 and had an effective contract of an 8-year term, effective of January 1, 2020. Following the contract amendment in March 2021, the counterparties initially agreed to reduce the duration of the contract, ending 31/12/2022, aiming to enhance resilience in the context of the COVID-19 pandemic repercussions on the overall lottery market. Recently, Intralot Maroc extended the existing contract with MDJS for an additional year, up to December 2023. INTRALOT Maroc will continue to support MDJS with the overall management and operation of its lottery, sports betting, and other games activities.

In 2021, Intralot Maroc generated revenue of €14,3 million, while in 2020 the respective revenue amounted to €10,4 million. The improved performance is attributed to the organic growth of local market coupled with the adverse impact from COVID-19 in FY20. Our total revenue from Morocco for the twelve months ended December 31, 2021, consisted 3,5% of our Group's total revenue.

<b><u>Key Consolidated Financial Figures</u></b>	<b><u>FY 2021</u></b>	<b><u>FY 2020</u></b>	<b><u>Δ%</u></b>
<i>(in € million)</i>			
Revenue	14,3	10,4	37,7%
GGR	14,3	10,4	37,7%
EBITDA	3,0	-1,7	n/a
CAPEX (Paid)	1,0	0,8	28,0%

<b><u>Key Standalone Balance Sheet Figures</u></b>	<b><u>FY 2021</u></b>	<b><u>FY 2020</u></b>
<b>Intralot Maroc SA</b>		
<i>(in € million)</i>		
Assets	10,5	31,6
Liabilities	33,6	52,5
Cash – Cash Equivalents	1,2	1,3

## **Malta**

We entered the lottery market of Malta in 2004, when we were awarded an eight year exclusive license to operate all state lottery games. For this project, we established the subsidiary Maltco Lotteries Limited, in which we own a 73,0% stake. In 2012, upon the expiration of this license, Maltco was



awarded a new ten year concession and a license to operate the national lottery of Malta through a competitive tender process.

Currently we operate numerical games (the two national lottery games: Super 5 and Lotto), fixed odds betting, both pre-game and live, a KENO game, a Bingo 75 and a Fast Bingo game, four horse racing games and instant tickets, in a network of approximately 220 POS.

The revenue of Maltco Lotteries in 2021 reached €95,4 million, posting an increase of +23,1% versus prior year's revenues of €77,5 million, with the variance attributable mainly to the COVID-19 impact in FY20. Revenue net of gaming payout follows the same trend, reaching €36,5 million in 2021, compared to €30,8 million in 2020. Our total revenue from Malta for the twelve months ended December 31, 2021, represented 23,0% of INTRALOT Group's total revenue.

<b><u>Key Consolidated Financial Figures</u></b>	<b><u>FY 2021</u></b>	<b><u>FY 2020</u></b>	<b><u>Δ%</u></b>
<i>(in € million)</i>			
Revenue	95,4	77,5	23,1%
GGR	36,5	30,8	18,7%
EBITDA	12,0	10,6	13,1%
CAPEX (Paid)	0,3	0,1	410,7%

<b><u>Key Standalone Balance Sheet Figures</u></b>	<b><u>FY 2021</u></b>	<b><u>FY 2020</u></b>
<b>Maltco Lotteries Ltd</b>		
<i>(in € million)</i>		
Assets	21,1	24,2
Liabilities	8,6	8,7
Cash – Cash Equivalents	16,8	14,7

Regarding the tender for the concession rights of the National Lottery of Malta, where our subsidiary Maltco Lotteries Ltd operates, "National Lottery plc" was announced as the preferred concessionaire.

### Looking Ahead

The lottery and sports betting industries, following the ease of the COVID-19 pandemic measures in 2021 have gradually returned to their pre-pandemic performance and growth trajectories. Both industries are today presenting significant growth opportunities, mainly enabled by the value that has been unlocked by new technologies and the wide adoption of online services, which have advanced significantly in the course of the pandemic. Digital technology evolution, in combination with regulatory initiatives towards market liberalization and regulation of previously restricted forms of gaming, as well as the change of player demographics and their spending habits and digital adoption as influenced by new technologies, all set the pace of accelerated change.

In this environment, INTRALOT is well equipped and best positioned to succeed, targeting to reap the fruits of its digital transformation strategy. Leveraging its well-earned position as a global leader in Lottery and Sports Betting technology as well as end-to-end services, INTRALOT has sharpened its strategic focus in order to capitalize on the unrealized value it has created over the years. Technology will be the key enabler towards business innovation. This is, after all, a reality introduced by the 4th industrial revolution that is nowadays blurring the line between the digital and physical worlds. Our technology is not only highly innovative, but it is also easily scalable, interoperable and extensible, welcoming all 4th industrial revolution enablers. Seamless omni-channel player experiences, cost optimization, fast time-to-market, market reactivity and all other drivers of increased sales and profitability can be enhanced by using our technology as an enabler.

Having said that, INTRALOT's realigned organization structure encompasses a technology division with enhanced delivery capacity and a customer centric service provision organization, backed by a strong finance division and a robust commercial arm.

In 2022 we are looking forward to further engagements for deploying our new Lotos X and INTRALOT ORION platforms coupled with our industry-best terminal solutions, and to benefit from the industry traction of our latest iLottery solutions fueled by our enhanced online capabilities. We expect further industry recognition of our technologies, such as the Lottery Product of the Year Award for our Photon X terminal and the shortlisting of our Orion Platform in Global Gaming Awards which were received the previous years. We anticipate to achieve economies of scale in 2022 and beyond, as our products become mature and are increasingly deployed over cloud infrastructures resulting in recurring savings of our cost base.

In the US lottery market, which has become a key part of our future growth strategy, we look to capitalize on our position and strengths of our strategic INTRALOT Inc subsidiary. To this end, we strongly pursue to implement and operate sports betting for our Lottery customers and beyond, and our performance in Washington DC and Montana, proves our capability to successfully operate sports betting in the growing US Sports betting market, as Sportsbetting legislation advances in more States in which we are currently present and the post COVID-19 Lottery market shows strong signs of positive structural changes through new player behavior and preferences.

A primary enabler of sustainable growth is the further improvement of our capital structure in a way that will be consistent with our strategy to create long-term value for all stakeholders of the company. Our strong focus remains on our mission to best address the needs of our customers with state-of-the-art products and services, especially in the promising times after the COVID-19 pandemic, and to generate new free cash flows that will help us to drive a recovery from the effects of the COVID-19 pandemic, as well as set the tone for INTRALOT's future journey.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE MANAGEMENT

### Scope

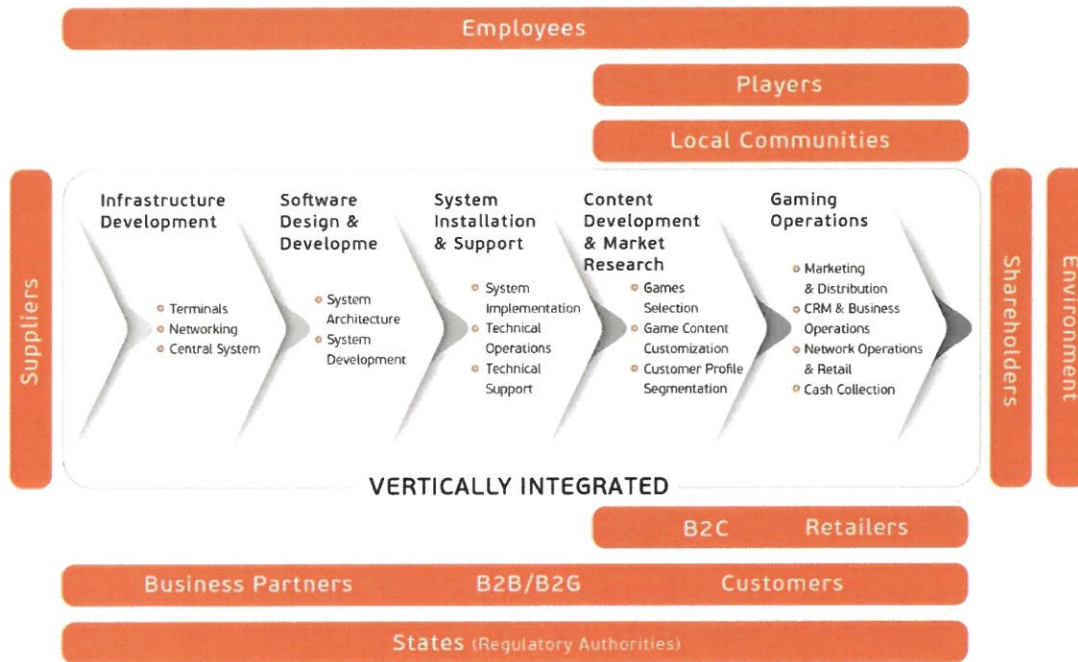
The following information related to the practices followed and results achieved on Environmental, Social and Governance issues:

- › Refer to the period 1/1/2020-31/12/2021 (unless indicated otherwise in certain points).
- › Refer to all activities of INTRALOT S.A. (referred as 'INTRALOT' or 'Company'), while further references to selected activities of other companies within the INTRALOT Group (referred as 'INTRALOT Group' or 'Group') are presented (without being included in this scope).
- › Addresses all operations (hardware and software, game content, sports betting management, online gaming and management, marketing services as well as licensed gaming operations in its own right).

Committed to its corporate strategy of sustainable leadership in the gaming sector, INTRALOT strives to create long-term shared value for all its Stakeholders. The Company continues to fulfill its promise to customers and communities for sustainable growth by further deploying strategic and transparent ESG principles, practices, and standards within its operations. The Company's Sustainability strategy is centered on five key Areas; Governance and Compliance, Employee Wellbeing, Responsible Gaming, Environmental Impact and Societal Support.

For its operations, the Company utilizes inputs from its Suppliers (materials, equipment, services, and know-how) as well as input from States and Regulatory Authorities (decisions and provisions for regulation of local gaming market). INTRALOT is a licensed gaming operator in its own right in several countries around the world and provides its products in the B2C market through its own sales networks, which include internet-based channels and Points of Sale, following agreements with Retailers.

**Value Chain**



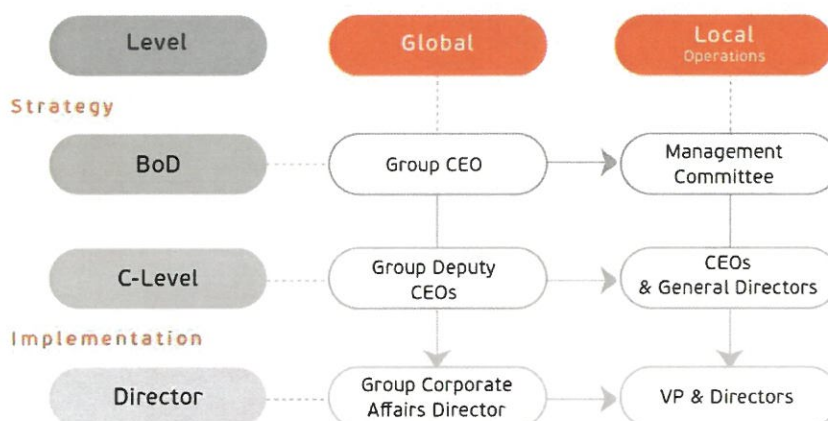
Furthermore, as a leading partner and technology provider for licensed gaming operators worldwide in the B2B market (e.g. hardware and software solutions, sports betting management, interactive gaming services), INTRALOT cooperates with Business Partners to provide its products and services to licensed gaming operators (Customers), in order for them to provide its games to Players. Throughout its value chain, the Company remains committed to safeguard the interests of Shareholders, contribute to the Local Communities, and reduce its impact on the Environment.



## Management Framework

INTRALOT's management structure related to Corporate Responsibility is depicted below:

### Corporate Responsibility Management



- › At Board level, the overall responsible is the Group Chief Executive Officer, who is the Chairman of the BoD, without at the moment Corporate Responsibility issues being discussed with Management during BoD meetings.
- › At C-Level, Group Deputy CEOs are responsible for the leadership and commitment on Corporate Responsibility principles.
- › At Director level, the Group Corporate Affairs Director is responsible to organize the relevant activities and review the Group's Responsible Gaming program, as well as guide, plan, implement and evaluate the Corporate Responsibility program and cooperate with other departments. The Corporate Affairs Department manages the issue of Corporate Responsibility, in order to streamline activities and facilitate the Company's responsible operation, at a strategic, organizational, and operational level.
- › The Corporate Affairs Director interacts with the Vice-President and Directors of Operations, as well as other Divisions within the Company, at a local and global level, to facilitate respective practices implemented.
- › BoD composition is shown in page 122, with Members being responsible overall to manage the relationship with stakeholders, including taking their views into consideration in decision-making.

Following the results of an internal analysis and interaction with its Stakeholders, INTRALOT has identified five strategic areas of Corporate Responsibility and has created the following Corporate Responsibility Framework with the respective areas and related sub-areas, in order to systematically organize and manage Corporate Responsibility issues.

**Corporate Responsibility Framework**



INTRALOT has developed a Sustainable Development Policy to define its specific principles of responsible operation towards its Stakeholders (e.g. employees, customers, society, environment) and outline its commitments to:

- > Create economic value both for its shareholders as well as other Stakeholders.
- > Ensure business ethics.
- > Consider the environmental impacts of its products and services.
- > Promote innovation.
- > Monitor systematically its environmental footprint.

The Policy also describes actions implemented in relation to main areas of sustainable development, and more specifically related to corporate governance, innovation and research, market and customers, human resources, environment and society.

INTRALOT considers the recognition of its efforts related to responsible operation as an important moral award, which also highlights the Company’s commitment to continue the relevant practices and initiatives.



## Awards and Distinctions

Event/Authority	Type of Award/Distinction	Category	Reason
<b>2021</b>			
<b>HR Awards 2021</b> (Boussias Communications)	Silver Award	Excellence in Performance Management Strategy / Initiative	INTRALOT's Continuous Performance Management
	Bronze Award	Best Reskilling Strategy	Company's programs and practices related to continuous learning
	Bronze Award	Excellence in Leadership Development management	iLead Programme
<b>Global Gaming Awards London 2021</b> (Gambling Insider)	Shortlisted	Retail Supplier of the Year	INTRALOT Orion sports betting platform
<b>2020</b>			
<b>HR Awards 2020</b> (Boussias Communications)	Gold Award	Best Team Building Program	Strengthening employee collaboration
	Silver Award	Most Valued HR Team	Fast response to the COVID-19 pandemic
<b>Global Gaming Awards London 2020</b> (Gambling Insider)	Shortlisted	Land-Based Product of the Year	INTRALOT Orion sports betting platform
<b>Impact BITE Awards 2020</b> (Boussias Communications)	Gold Award	New Technology Trends in Cloud Applications and Services	Technology Excellence
<b>International Gaming Awards 2020</b> (Clever Duck Media)	Winner	Lottery Product of the Year	PhotonX terminal

### 1. Stakeholder Engagement

INTRALOT has a large number of internal and external Stakeholders, who can be defined as all those who are either affected by the Company's operations or affect its operations. Since Stakeholders increasingly require transparency and active involvement in issues, such as governance, societal

support, and environmental protection, the Company is consistently committed to enhance its Stakeholders' engagement through a wide range of activities in order to ensure value creation. The following table summarizes INTRALOT's Stakeholders (who have been identified through the respective departments), the methods of interaction with them as well as their main topics of interest.

### Stakeholder Engagement

Stakeholders	Interaction Tools	Topics of Interest
<ul style="list-style-type: none"> <li>◦ Customers</li> <li>◦ Business Partners</li> <li>◦ Suppliers</li> <li>◦ Retailers</li> <li>◦ Players</li> <li>◦ Employees</li> <li>◦ Shareholders</li> <li>◦ Investors</li> <li>◦ Media</li> <li>◦ Community</li> <li>◦ NGOs</li> <li>◦ Industry Associations</li> <li>◦ Regulatory Bodies</li> <li>◦ States</li> </ul>	<ul style="list-style-type: none"> <li>◦ Website</li> <li>◦ Press Releases &amp; Announcements</li> <li>◦ Social Media</li> <li>◦ Articles &amp; Interviews</li> <li>◦ Points of Sale</li> <li>◦ Call Center</li> <li>◦ RG Questionnaires</li> <li>◦ Hybrid Meetings</li> <li>◦ Trainings</li> <li>◦ Contact Form (website)</li> <li>◦ Newsletters</li> <li>◦ Corporate &amp; PnS Material</li> <li>◦ Exhibitions &amp; Events</li> <li>◦ Participation in Industry Panels</li> <li>◦ Speeches at Conferences</li> <li>◦ Presentations</li> <li>◦ Meetings with ExComs of Lottery Associations</li> <li>◦ Dialogue with Reps of Authorities</li> <li>◦ Corporate Intranet Portal</li> <li>◦ Employee Dialogue - Your Voice</li> <li>◦ Hackathon</li> <li>◦ Annual Reports</li> <li>◦ Quarter Reports</li> <li>◦ Road Shows</li> <li>◦ Shareholders General Meeting</li> <li>◦ Conference Calls</li> </ul>	<ul style="list-style-type: none"> <li>◦ Governance</li> <li>◦ Sustainable Leadership</li> <li>◦ Corporate Responsibility</li> <li>◦ Financial Progress</li> <li>◦ Responsible Gaming</li> <li>◦ Business Continuity</li> <li>◦ Sustainable Operation</li> <li>◦ Products and Services</li> <li>◦ Quality Management Systems</li> <li>◦ GDPR</li> <li>◦ Player Privacy</li> <li>◦ Employee Well-being</li> <li>◦ Diversity &amp; Inclusion</li> <li>◦ Supply Chain</li> <li>◦ Local Buying</li> <li>◦ Supplier Engagement</li> <li>◦ Labor Practices</li> <li>◦ Risk Management</li> <li>◦ Public Policy</li> <li>◦ Legal Compliance</li> <li>◦ Environmental Responsibility</li> <li>◦ Job Security</li> <li>◦ Office Work Conditions</li> <li>◦ Community Impact</li> </ul>

### Governance

#### Responsible Internal Operation

The value of responsible operation is embedded in the way INTRALOT is managed, as the Company adopts internal rules and regulations to govern its daily operations, such as the Internal Regulation Charter, the Code of Corporate Governance and the Code of Conduct. At the same time, INTRALOT is committed to comply with the respective legislation in all countries of operations.

**Internal Regulation Charter:** The Internal Regulation Charter regulates the structure of INTRALOT's Divisions, their responsibilities, and the relationship with each other and with INTRALOT's management as well as defines each statutory body's responsibilities, duties, and obligations, under the provision of the Company's Articles of Association and the applicable legislation. It was equipped in accordance with the Greek Legislation and the provisions of article 14 of Law 4706/2020 on corporate governance. The Internal Regulation Charter is mandatory for the entire Company and all partners who provide their services through an independent services contract. Its purpose is to outline the framework of organization and operation of the Company in order to ensure the Company's compliance with the legislative and regulatory requirements, as well as the transparency and efficiency in the decision-making of its administrative bodies.

The Internal Regulation Charter regulates:



- a) The organizational structure, the functions of the units, the committees of the Company, as well as the duties of their directors and their direct reports.
- b) The report of the main characteristics of the Internal Control System, meaning the operation of the internal control, risk management and regulatory compliance units.
- c) The process of hiring top management executives and evaluating their performance.
- d) The process of compliance applying to people exercising managerial duties, as defined in number 25 of par. 1 of article 3 of Regulation (EU) 596/2014, and of people who have close ties with them, according to the definition of par. 14 of article 2 of Law 4706/2020, which include the obligations deriving from the provisions of article 19 of Regulation (EU) 596/2014.
- e) The process of notifying the existence of dependent relations, according to article 9 of Law 4706/2020, of the independent non-executive members of the Board of Directors and of the people who have close ties with them.
- f) The process of compliance with the obligations arising from articles 99 to 101 of law 4548/2018, regarding transactions with related parties.
- g) The policies and procedures that prevent and resolve cases of conflict of interest.
- h) The policies and procedures for the compliance of the Company with the legislative and regulatory provisions that govern its organization and operation, as well as its activities.
- i) The procedure that the Company has for the management of privileged information and for the disclosure of accurate information to the public, in accordance with the provisions of Regulation (EU) 596/2014.
- j) The policy and procedure for conducting periodical evaluations of the Internal Audit System, in particular, towards the adequacy and effectiveness of the financial information provided, on an individual and consolidated basis. Also, ensures the risk management and regulatory compliance, according to the recognized standards of evaluation and internal control, as well as the implementation of the provisions on corporate governance of this law. This evaluation is carried out by people who have sufficient relevant professional experience and who do not have dependency relationships according to par. 1 of article 9 of Law 4706/2020.
- k) The training policy of the members of the board of directors, the top management team, as well as the other executives of the Company, especially those involved in internal control, risk management, regulatory compliance and information systems functions.
- l) The sustainable development policy applied by the Company, where applicable.

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Obligated to comply with the Internal Regulation Charter are:

- The members of the Board of Directors,

- The Chief Executive Officer, the Deputy Chief Executive Officer, the Executive Vice President, the Group Chiefs, the Vice-Presidents, the Group Directors, the Directors and the Heads of Departments,
- All of the Company's employees.
- The associates of the Company who provide their services with a service/consultancy contract or paid on a project basis, provided that it is explicitly mentioned in their agreement that they should comply with the Internal Regulation Charter.

**Code of Corporate Governance:** INTRALOT adopts the modern principles of Corporate Governance, a system of laws, rules, procedures and good corporate governance and control practices, in accordance with the current Greek legislation and the international best practices. Our Corporate Governance policies aim to safeguard the rights of our shareholders and the interests of all stakeholders, with transparency and a high sense of responsibility in the decision-making process, effective internal and accounting controls, proper financial risk management, as well as the disclosure of timely and accurate information to any interested party.

INTRALOT's Code of Corporate Governance documents the Company's corporate governance practices and is aligned with the Principles of OECD Corporate Governance published in 2004, the Hellenic Federation of Enterprises' (SEV) Code of Corporate Governance for Listed Companies and the generally accepted corporate governance principles applied by European Union countries, in order to ensure transparency in its operations and compliance with the relevant legislation and regulatory framework.

The Corporate Governance policies in place, reflect our firm commitment to the ethics and responsibility that govern the decisions of our executives, in order to ensure not only the sustainable development of the Company, but also the interest of our shareholders and all stakeholders in the long-term. The Company has voluntarily adopted the Greek Corporate Governance Code 2021. The Code has been posted on the company's website ([www.intralot.com](http://www.intralot.com)).

**Code of Conduct:** The Company's Code of Conduct defines the way its Managers and employees behave and foster relationships of trust with Stakeholders, business partners and other third parties on the following issues:

- > Purpose
- > International Business Conduct
- > Information Security Policy Compliance
- > Social Media
- > Confidential Information
- > Protection and Use of Company Assets and Resources
- > Competition and Fair Dealing
- > Conflict of Interest
- > Corporate Opportunities – Innovations
- > Giving or Accepting Business Courtesies
- > Integrity/Probity
- > Corporate Travel Policy



- > Information and Technology Resources
- > Relationships with Suppliers
- > Relationships with Clients
- > Relationships with Competitors
- > Environment
- > Health and Safety
- > Equal Employment Opportunity and Harassment Policies
- > Alcohol and Drugs
- > Violence Prevention
- > Reporting a Breach of the Code of Conduct

It must be noted that the Code of Conduct:

- > Is available to all employees through the corporate intranet portal and all employees have access to a relevant training course through INTRALOT's e-learning platform.
- > Has been communicated to all employees via email, including all new employees within the first week of employment, who are also trained through the Classroom Corporate Induction Training program.
- > Is the subject of related briefings to employees.
- > Has been incorporated in all employee contracts and all employees have signed to acknowledge and accept the Code's principles and provisions.
- > Is mandatory for all Managers and employees of INTRALOT Group, its subsidiaries, and controlled affiliates, regardless of contract type (permanent and temporary) and hierarchical level.

Furthermore:

- > Employees can direct any related questions and all employees are obliged to report any breach of the Code of Conduct (including a conflict of interest or violation of the law) to the Human Resources Department, by name or anonymously, either by telephone or e-mail. In all cases, INTRALOT protects the confidentiality of anyone who reported a violation and the Company examines all cases of potential breaches and violations of its principles.
- > In case anyone suspects that there is an actual or potential conflict of interest or could be reasonably perceived by others as a conflict of interest, employees must report it to their Supervisor or their Director, who will discuss with them to determine whether he/she actually has a conflict of interest and, if so, how to best address it.

**Anti-corruption:** Being committed to operate transparently and ethically, INTRALOT:

- > Has included issues related to anti-corruption in its Code of Conduct (which has been acknowledged and signed by all employees).
- > Has been certified according to ISO 37001 Anti-Bribery Management System for its measures to prevent, detect, and address bribery, as well as ensure transparency in transactions, being one of the few externally certified companies in the gaming industry worldwide.
- > Has signed a Memorandum of Understanding and became a member of the Business Integrity Forum, an initiative launched by Transparency International - Greece network.

- › Has developed an Anti-Corruption Policy, which highlights its principles on various issues, such as corruption, procurement and bidding, merger and acquisition transactions, gifts and entertainment, political contributions.

Employees can contact the Legal Department or the Head of the Business Unit and they can report any concern about a potential bribery or corruption case to the Human Resources Department and the Internal Audit Unit, by name or anonymously.

Furthermore, INTRALOT:

- › Has developed Anti-Money Laundering Guidelines to ensure that services offered via its global operations are not used for money laundering purposes, which are mandatory for all employees. The Company identifies and assesses potential anti-money laundering risks by its customers through various measures, which include KYC approach (Know-Your-Customer), due diligence checks and monitoring of gambling activity. In cases of an attempt to launder criminal proceeds, the Group does not establish or immediately terminates the business relationship, with no such cases identified during 2020-2021.
- › Includes anti-corruption contractual clauses in all agreements with suppliers to ensure compliance with relevant anti-corruption laws, while such provisions are not included in contracts with customers, since they are either State Lotteries or private companies licensed by the State.
- › Undertakes due diligence on its business partners (e.g. agents, consultants, suppliers, other intermediaries, consortium or joint venture partners, contractors or major sub-contractors, distributors) to assess corruption risk prior engaging in any business relationship and refrains from any business activity in case due diligence findings are not satisfactory, which was initiated for 169 existing suppliers in 2020, as well as 185 existing and 16 new suppliers (all of whom were approved) in 2021.
- › Performs detailed anti-corruption due diligence throughout mergers and acquisitions and includes appropriate anti-corruption provisions prior to closing the respective transactions.
- › Follows a standard internal auditing procedure with at least annual audits to analyze business units for risks associated with corruption and monitors certain areas with high risk for financial fraud.
- › Permits contributions to political parties, members of political parties and candidates for a public office only in accordance with applicable local laws, Group's Code of Conduct rules, public disclosure requirements and prior written approval of the local Legal Department, the head of the local business unit and the Group Chief Legal and Compliance Officer.

<b>Indicator</b>	<b>2020</b>	<b>2021</b>
<b>Governance</b>		
Non-executive BoD members (%)	55,6	55,6
Independent non-executive BoD members (%)	33,9	33,9
<b>Awareness</b>		
Employees briefed on the Code of Conduct (%)	100	100
Employees trained on the Code of Conduct (number)	115	38
Employees trained on anti-corruption and anti-bribery issues (%)	23	28



Employees attending the annual Information Security awareness program (number)	474	498
<b>Compliance</b>		
Corruption incidents (number)	0	0
Bribery incidents related to employees (number)	0	0
Value of contributions made to politicians and political parties (€)	0	0
Violation cases concerning the Code of Conduct (number)	0	0

## 2. Risk Management

INTRALOT follows a holistic approach to identify, assess, and manage risks related to achieve its business objectives and implements risk assessment and treatment at least annually according to its Enterprise Risk Management (ERM) Framework, which is designed according to the specifications of COSO (Committee of Sponsorship Organizations of the Treadway Commission) and ISACA (COBIT for RISK).

### Significant Risks and Uncertainties

Source	Impact	Policies and Practices
<b>Financial Risks</b>		
Credit risk	Not significant	<ul style="list-style-type: none"> <li>&gt; Pursue wide dispersion of customers.</li> <li>&gt; Set credit limits through signed contracts.</li> <li>&gt; Set limits on credit exposure to any financial institution.</li> <li>&gt; Adopt an internal rating system on credit rating evaluation.</li> </ul>
Liquidity risk	Significant	<ul style="list-style-type: none"> <li>&gt; Develop policies to manage and monitor liquidity to meet obligations.</li> <li>&gt; Set a system to monitor and constantly optimize operating and investing costs.</li> </ul>
Foreign Exchange risk	Significant	<ul style="list-style-type: none"> <li>&gt; Achieve diversification of currency portfolio.</li> </ul>
Interest rate risk	Not significant	<ul style="list-style-type: none"> <li>&gt; Have a balanced portfolio of loans with fixed and floating borrowing rates.</li> </ul>
High leverage risk	Moderate / Significant	<ul style="list-style-type: none"> <li>&gt; Set specific consolidated fixed charge coverage and senior leverage ratio.</li> </ul>
<b>Operating Risks</b>		
Winners' payouts in sports betting (Depends on the outcome of the events)	Moderate	<ul style="list-style-type: none"> <li>&gt; Establish a betting center in Greece to control global fixed odds betting activity and payout policy in real-time.</li> </ul>

Gaming sector and economic activity	Moderate	<ul style="list-style-type: none"> <li>&gt; Diversify portfolio through international expansion.</li> <li>&gt; Reduce dependency on the performance of individual markets and economies.</li> </ul>
Gaming Taxation	Moderate	<ul style="list-style-type: none"> <li>&gt; Monitor and evaluate changes in taxation.</li> </ul>
Regulatory risk	Significant	<ul style="list-style-type: none"> <li>&gt; Rely on government licenses.</li> <li>&gt; Monitor changes in the regulatory environment.</li> </ul>
Technological changes	Significant	<ul style="list-style-type: none"> <li>&gt; Properly respond to technological changes.</li> <li>&gt; Timely develop or license innovative and appealing cost-effective products.</li> <li>&gt; Invest in R&amp;D to develop innovative products.</li> </ul>
Emerging markets risk	Significant	<ul style="list-style-type: none"> <li>&gt; Monitor social, political, legal, and economic conditions in countries of operations.</li> </ul>
Competition and margin squeeze	Significant	<ul style="list-style-type: none"> <li>&gt; Aim to renew long-term contracts.</li> </ul>
Environmental Risk	Moderate	<ul style="list-style-type: none"> <li>&gt; Identify best practices and implement environmentally friendlier initiatives.</li> <li>&gt; Reduce waste and improve recycling rates.</li> <li>&gt; Reduce use of physical resources (e.g. paper, ink).</li> <li>&gt; Measure the environmental impact.</li> </ul>
Risk of COVID-19 pandemic (Depends on its duration, government restrictions in key jurisdictions and the current and subsequent economic disruption)	Moderate	<ul style="list-style-type: none"> <li>&gt; Monitor closely the developments regarding the pandemic.</li> <li>&gt; Follow the guidance from local health authorities.</li> <li>&gt; Observe requirements and actions implemented by local governments.</li> <li>&gt; Implement emergency plans to reduce potential adverse effects on employees and operations.</li> </ul>

INTRALOT has established personal data protection as a priority to ensure its responsible operation towards its Stakeholders (e.g. players, customers, employees). Therefore, the Company has developed a Privacy Data Protection Policy, which defines and documents various principles and rules, as well as procedural and technical controls, in order to create a framework to protect private data collected, maintained and processed. The Policy is the core component of the Company’s Data Protection Framework, which combines Privacy Good Practices, its Enterprise Risk Management Framework for managing related risk and for conducting Data Privacy Impact Assessments, as well as its Cyber and Information Security Frameworks to identify Information Security needs, uphold Data Protection and define Incident detection, response and recovery processes, in order to respect and protect the rights of data subjects in a multidimensional manner. INTRALOT’s Data Protection Framework fully addresses the requirements of the EU General Data Protection Regulation (GDPR), which has been adopted as a minimum Privacy Standard for the entire INTRALOT Group. INTRALOT products and project development strictly follow the respective policy for embedding privacy controls and security controls from their



design phase (privacy by design) and INTRALOT implements a specific process for all employees to immediately report any personal information violation to the highest corporate level (C-level).

### 3. Responsible Procurement

Despite the globalization of procurement, the Company continues to purchase a considerable amount of products and services from local suppliers and prioritizes local suppliers, where possible.

The Company conducts a supplier financial and technical assessment for all key suppliers, except certain procurement categories, such as legal expenses, hospitality expenses, rental services, transportation expenses (taxis) and seminars, which evaluates their performance on the following main criteria:

- > Financial cost.
- > Quality specifications.
- > Time to delivery.

Indicator	2020	2021
Suppliers (number)	169	185

## Social

### 1. Responsible Gaming

It is important that anyone who participates in games of chance understands the possible risks of the entertainment they are buying and how they vary from one type of games to another. Players must make their choices based on game aspects of the gaming service, know, and accept the odds and never overestimate the chances of winning or try to recover losses by persisting to game beyond their means.

Therefore, Responsible Gaming is a concept to which gaming operators, technology and software suppliers and associated service providers need to ensure that their products and services provide a fair and safe gaming experience that enables players to protect from the adverse consequences of gaming as well as apply practices to eliminate excessive behavior and protect vulnerable groups, such as individuals under legal age of play, persons with a gaming addiction and individuals not aware of risks of problem gaming.

## Responsible Gaming Approach



Preventing underage  
illegal & problem  
gaming



Empowering players  
with the choice of  
well-designed games  
in a secure, trustful  
environment



An ethical regulatory  
environment  
expected  
by society

Besides being an ethical and regulatory requirement, Responsible Gaming is a business imperative for gaming companies, who are required to comply with applicable Responsible Gaming frameworks and implement specific measures and procedures to protect society and Stakeholders. As an Associate member of WLA, INTRALOT abides by the WLA Responsible Gaming Framework, whose purpose is to integrate the Responsible Gaming Principles into the day-to-day operations of member lotteries. The Framework consists of:

- The 7 Responsible Gaming Principles, to which WLA members commit themselves to:
  - Meet their objectives while, at the same time, protect customers' and vulnerable groups' interests and uphold their commitments within their own jurisdiction.
  - Ensure their practices and procedures reflect a combination of government regulations, operator self-regulation, and individual responsibility.
  - Develop their practices concerning Responsible Gaming on the best possible understanding of relevant information and analysis of documented research.
  - Work with Stakeholders to share information, develop research and promote Responsible Gaming as broadly as possible, and encourage a better understanding of the gaming's social impact.
  - Promote Responsible Gaming in all activities, including development, sale and marketing of their products and other activities and ensure the same on behalf of their agents.
  - Provide information to public in an accurate and balanced manner, in order to enable informed choices about gaming activities within their jurisdiction.



- Monitor, test and revise as appropriate the activities and practices related to Responsible Gaming and publicly report their findings.
- › The 10 Responsible Gaming Framework program elements, which are described below:

**Responsible Gaming Framework Program Elements**

<b>Element</b>	<b>Description</b>
Research	Support and/or conduct, integrate and disseminate Responsible Gaming related research.
Employee Program	Ensure and support efficient and effective application of Responsible Gaming principles by all relevant employees.
Retailer Program	Ensure and support efficient and effective application of Responsible Gaming principles by retailers and their front-line employees.
Game Design	Apply evidence-based Responsible Gaming considerations to design, selection and introduction of new lottery and gaming products.
Remote Gaming Channels	Ensure that interactive remote gaming platforms have safeguards in place that protect players.
Advertising and Marketing Communications	Ensure continuous improvement of responsible marketing and communications practices and application of regulatory codes.
Player Education	Support, integrate and disseminate information related to good practices in responsible play ('informed player choice') and treatment referral.
Treatment Referral	Offer support, guidance and referral to specialized services to customers with potential or actual gaming addiction problems, if needed.
Stakeholder Engagement	Identify, understand, and integrate Stakeholder interests into key business decisions and Responsible Gaming program development.
Reporting and Measurement	Measure and report on commitments, actions, and progress on Responsible Gaming to internal and external Stakeholders.

Within 2021, INTRALOT S.A. renewed its Certificate of Alignment with WLA Responsible Gaming Framework for Associate members until 2024, following an in-depth independent assessment performed on its products and services as well as its Responsible Gaming practices by a WLA approved assessor. The assessment covers all corporate functions related to the integrity of its systems and games and recognizes INTRALOT’s commitment and efforts to create a secure and supportive gaming environment as well as prevent underage, illegal, and problem gambling or any other potential harm to society.

While at the moment, there is no dedicated customer satisfaction survey or customer grievance mechanism, INTRALOT plans to create a contact form in its corporate website for its Stakeholders to submit potential grievances.

<b>Indicator</b>	<b>2020</b>	<b>2021</b>
<b>Briefings and Trainings</b>		
Participation in Stakeholder engagement activities and events on Responsible Gaming issues (number)	15	10
Employees trained on Responsible Gaming practices (%)	77,5	15,0
Duration of employee trainings on Responsible Gaming issues (hours)	426	92
Customer employees participating in Responsible Gaming training programs (number)	152	45
<b>Compliance</b>		
Product recalls (number)	0	0
Users whose information has been used for secondary purposes (i.e. purposes besides the original one for which they were collected) (number)	0	0
Unique requests for user information (including user content and non-content data) from government or law enforcement agencies (number)	0	0
Unique users whose information was requested by government or law enforcement agencies (number)	0	0
Government and law enforcement requests that resulted in disclosure to the requesting party (%)	0	0
Complaints or grievances concerning breaches of customer privacy and losses of customer data (number)	0	0
Fines imposed regarding breaches of customer privacy or losses of customer data (number)	0	0
Non-monetary sanctions imposed regarding breaches of customer privacy or losses of customer data (number)	0	0
Fines imposed regarding marketing, advertising and promotion activities and product or service information (e.g. product labeling) (number)	0	0
Non-monetary sanctions imposed regarding marketing, advertising and promotion activities and product or service information (e.g. product labeling) (number)	0	0

## **2. Employee Wellbeing**

Achieving our strategic objectives and maintain operational effectiveness is closely related to our workforce, which allows us to operate successfully within a constantly changing business environment and face its challenges. Therefore, INTRALOT:

- › Strives to create direct job positions, in order to lessen unemployment, as well indirectly support work positions all over the country through its business activity.
- › Utilizes a wide range of internal communication means to establish a systematic dialogue with its employees.



- › Acknowledges the importance to promote work-life balance and aims to create and maintain a work environment which respects its employees' work and personal responsibilities, in order to increase job satisfaction.
- › Has established a Compensation and Benefits Policy for its employees, which covers all employees (including part-time and temporary employees), depending on their level and job content.
- › Organizes various employee awareness and engagement initiatives.
- › Delivers a wide range of training programs for its employees.
- › Focuses to ensure suitable and safe work conditions and offer its employees a safe work environment.
- › Respects labor rights and does not restrict employees to exercise their right to freedom of association.

INTRALOT is committed to support and fully respect human rights, as expressed by the United Nations, the International Labor Organization (ILO) and the relevant legislation. The Company strictly follows the internationally recognized human rights principles and strives to protect human rights. Based on these principles, INTRALOT:

- › Has signed the United Nations Global Compact since 2009.
- › Has included its commitment to refrain from activities which violate human rights (e.g. discrimination, harassment, violence) within its Code of Conduct, as well as to respect human rights within its Official Employment Guide, Internal Regulation Charter and Recruitment and Selection Policy.
- › Has established a grievance mechanism for employees to submit complaints and report concerns or incidents regarding human rights.

INTRALOT implements a strict policy towards meritocracy in the workplace and does not tolerate any unlawful discrimination and harassment. As stated in its Code of Conduct, the Company does not allow or tolerate any kind of discrimination due to gender, race, color, nationality, ancestry, citizenship, sexual orientation, religion, age, physical or mental disability, medical condition or marital status. Furthermore, INTRALOT has established a grievance mechanism for employees to report any discrimination or harassment incident and does not tolerate any retaliation against an employee who reported such incident. Therefore, the proportion of salary for men employees, Managers and Directors is equal to women employees, Managers and Directors, as there is no salary differentiation between employees' gender.

<b>Indicator</b>	<b>2020</b>	<b>2021</b>
<b>Job Positions</b>		
Employees (number)	645	477
Permanent employees (%)	99,7	99,8
Full-time employees (%)	98,0	97,5
New hires (number)	78	28
Female	19	5
Male	59	23

Voluntary turnover rate (%)*	11,5	19,5
Involuntary turnover rate (%)*	3,5	12,8
Turnover (number)*	99	174
Female	22	52
Male	77	122
Women employees in overall workforce (%)	32,6	34,4
Women in Board of Directors (%)	0,0	22,2
Women employees in the top 10% of employees by total compensation (%)	10	14
Employees covered by the National Collective Labor Agreement (%)	100	100
<b>Training and Development</b>		
Training programs to employees (number)	986	704
Employees trained (%)	87,6	84,3
Monetary value of employee training programs (€)	95.571	58.069
<b>Health and Safety</b>		
Accidents (number)	0	0
Employee injuries (number)	0	0
Employee fatalities due to work-related accidents (number)	0	0
Accident frequency rate (rate)**	0	0
Accident severity rate (rate)***	0	0
<b>Equality</b>		
Difference between the average base salary of full-time men employees compared to full-time women employees (%)	27,7	27,8
Average training duration per employee (hours)	26,5	22,6
Average training duration per employee in the top 10% of employees by total compensation	12	17,1
Average training duration per employee in the bottom 90% of employees by total compensation	29,3	24,7

\*Turnover data do not include INTRALOT employees who left for other INTRALOT Group's companies in Greece and abroad.

\*\*Accident frequency rate:  $\text{Number of recordable injuries} \times 200.000 \text{ work hours} / \text{Number of hours worked by all employees}$ .

\*\*\*Accident severity rate:  $\text{Number of work days lost due to work-related accidents} \times 200.000 \text{ work hours} / \text{Number of hours worked by all employees}$ .

### 3. Society Support

INTRALOT is committed to support the communities where it operates, as they provide the resources, infrastructure, and markets for its businesses operations. Therefore, the Company has launched the



targeted social support program 'INTRALOT – We Care a Lot', with targeted activities in two main areas:  
a) Education and human capital, b) Social welfare and human development.

**Indicative societal support activities**

<b>Education and human capital</b>
Support to the United States' Educational Foundation Fulbright for its scholarship program (2020, 2021)
Donation to Basketball Sports Club of Pagrati (2020, 2021)
Donation to Sports Club Kalistos (2021)
<b>Social welfare and human development</b>
Donation to the NGO 'Together with Children', which supports children and families in need (2021)

INTRALOT seeks to leverage corporate skills and resources and cultivates volunteerism through various activities, as the Company:

- › Implemented two blood donation programs in 2020 and 2021, in cooperation with the Athens Children's Hospital 'Aghia Sophia', where INTRALOT has established a blood bank. As a result, the Company gathered over 80 blood units, to support needs of employees and their families as well as needs of society in general. It must be noted that the Company's blood bank has responded to over 700 direct requests for blood units in the last 12 years, including needs of many hospitalized children.
- › Joined EBEN Ambassadors Club with a team of volunteers during 2020 and participated in a clean-up activity of Marathonas beach, organized by the Hellenic Marine Environment Protection Association (HELMEPA), a Greek non-governmental organization committed to safeguard the seas and promote environmental awareness
- › Launched the recycling campaign 'Recycle now and contribute to the NGO Together with Children, which supports children and families in need, in order to support the organization's activities through the Integrated Rewarding Recycling Program.

**Sharing Value**

INTRALOT seeks to create economic value not only for its shareholders, but also for other Stakeholders. Therefore, the Group's revenues ensure that significant financial resources are returned back to society, towards its network (through sales fees), the State (through taxes paid), providers of funds (through interest paid for loans), suppliers (through purchases), employees (through wages and benefits), as well as corporate reinvestment.

Furthermore, INTRALOT continuously invests in Research and Development (R&D), in order to enhance quality, performance, and flexibility, while decrease development, maintenance, and deployment costs. Apart from in-house R&D, INTRALOT has Development Centers in the United States of America and Greece cooperates with leading educational institutions and technology vendors. Through its patents, the Company emphasizes to leverage trends in mobile technology, multiple gaming channels, the internet of things (IoT), cloud computing and HTML5.

Indicator	2020	2021
<b>Society Support</b>		
Societal support activities (number)	9	9
Value of societal support activities (€)	12.070	13.700
Blood units collected (number)	40	40
<b>Sharing Value</b>		
Shared value generated worldwide (million €)	326,6	373,9
Shared value generated in Greece (million €)	81,4	95,8
<b>Innovation and Research</b>		
Group R&D investments (million €)	12,5	2,7
Approved patents and designs worldwide (number)	308	261

NR = Not reported

## Environment

### 1. Environmental Management

While environmental protection is a particularly important aspect for most industries, the gaming industry has relatively low environmental impact. However, INTRALOT is aware of the future repercussions of environmental degradation and monitors its environmental performance. Being committed to environmental management and protection program, INTRALOT:

- › Has included its commitment to minimize its environmental impact, conserve resources and reduce waste and emissions in its Code of Conduct and all employees are obliged to report any actual or potential violation of environmental laws or any event that may result in a discharge or emission of hazardous materials.
- › Reviews environmental legislation and regulations to comply and apply their provisions.
- › Has established an ISO 14001:2015 compliant Environmental Management System (EMS) and an Environmental Legislation Monitoring Procedure to ensure compliance with applicable national and international laws and regulations.
- › Takes into consideration regular environmental impact assessments, through which the Company systematically identifies and evaluates the environmental impact of its activities, based on the environmental impact's severity and likelihood of occurrence.
- › Has appointed an Environmental Risk Officer to monitor environmental risks, propose changes to the EMS and ensure proper understanding and implementation.

### 2. Materials & Waste

Being aware of the responsible approach required towards consumption of materials and waste, the Company:



- › Has adopted the Restriction of Hazardous Substances (RoHS) Directive 2002/95/EC for all terminals, which limits or bans specific substances in electronic and electric equipment (e.g. lead, cadmium, PBB, mercury, hexavalent chromium, PBDE flame retardants) and requires from suppliers located in Europe to comply also with the Waste Electrical and Electronic Equipment (WEEE) Directive 2002/96/EC.
- › Follows the relevant legislative framework concerning waste disposal and does not directly send any waste to landfills. Instead, all waste is systematically collected and sent to a licensed recycling partner, who transports waste and handles waste disposal in an appropriate and environmentally friendlier manner.
- › Uses central printers to scan and electronically disseminate copies.
- › Monitors and controls printing volume through centralized printers, where employees use their access cards to print any documents.
- › Has replaced plastic cups with glass cups in water coolers, which prevents approximately 360,000 plastic cups being disposed each year.
- › Has placed recycling bins in its premises, which include recycling bins for paper, aluminum cans, plastic cans and bottles, batteries and light bulbs, as well as small domestic electrical and electronic devices and peripherals (e.g. toasters, digital cameras, personal computers, printers, mobile phones, cables).
- › Water supply is performed exclusively through the public water supply network and water utility companies; therefore, no other water sources are affected.
- › All liquid waste is directed to the public waste network.
- › Does not use hazardous cleaning materials.
- › Mainly utilizes chlorofluorocarbons (CFCs) free refrigerants to cool its servers, use in air-conditioning and fire suppression systems as well as for its coolers, in order not to harm the ozone layer.
- › Does not use any of the top 27 recognised critical materials listed by the European Commission in its list of critical raw materials (CRMs) (e.g. antimony, beryllium, cobalt, HREEs, phosphorus, tungsten).
- › Utilizes internal communication means (e.g. email, Corporate intranet portal, posters) to raise employee awareness on environmental protection and efficient use of energy sources.

In 2021, INTRALOT implemented the internal awareness campaign 'Going Green at the Office' with useful tips to reduce energy consumption and waste, reuse paper and other materials (e.g. food and beverage containers), as well as recycle paper, metals, glass, plastic, domestic batteries, light bulbs, and electronic devices.

### **3. Energy & Emissions**

Despite the fact that there is no specific long-term and short-term emission strategy, INTRALOT implements the following indicative activities, in order to reduce its energy consumption and air emissions:

- › Monitors fuel consumption of corporate leased vehicles, through fuel cards issued to users.
- › Uses LED lamps in its premises and replaces conventional lamps with energy-efficient lamps, with approximately 90% of lamps installed in Peania premises being energy-efficient lamps.

- > Has installed photoelectric cells in garage areas to turn off lights when there are no employees in those areas.
- > Has installed and operates a Building Management System (BMS) in its building in Peania, which allows operations to automatically halt in case of malfunctions.

While operating in a non-energy intensive industry with limited greenhouse gas emissions compared to other industries, the Company systematically measures and reports its greenhouse gas emissions due to its extensive operations and the issue's importance worldwide.

<b>Indicator</b>	<b>2020</b>	<b>2021</b>
<b>Materials and Waste</b>		
Paper consumption (paper purchased for all purposes, including office and commercial use) (kg)	1.876	3.639
Toners consumption (units)	NR	130
Wood consumption (kg)	3.150	3.200
Plastic consumption (kg)	180	200
Recycled or FSC certified paper used (kg)	1.876	3.639
Waste (including hazardous waste) transported abroad for treatment (kg)	0	0
Paper recycled (kg)	5.540	9.180
Toners recycled (kg)	0	162
Plastic recycled (kg)	180	200
Batteries recycled (kg)	127	542
Electrical and electronic equipment (WEEE) recycled (kg)	350	4.901
Metals recycled (kg)	NR	766
Packaging pieces recycled (units)	19.000	18.000
Light bulbs recycled (kg)	NR	102
Significant spills (e.g. chemicals, fuels) (number)	0	0
Effluent discharge containing pollutant substances (e.g. hazardous waste, nitrates) (m <sup>3</sup> )	0	0
Water consumption (m <sup>3</sup> )*	13.296	4.500
Operational sites owned, leased, managed in, or adjacent to, protected and/or high biodiversity value areas (number)	0	0
<b>Energy and Emissions</b>		
Diesel for vehicle fleet (lt)	58.067	45.779
Gasoline for vehicle fleet (lt)	54.500	34.433
Heating petrol (lt)	90.000	82.000
Electricity (KWh)	1.741.260	1.691.027
Total energy consumption (GJ)	14.238	12.544
Direct energy consumption	7.969	6.456
Indirect energy consumption	6.269	6.088
Electricity consumption to total energy consumption (%)	44,0	48,5



Energy from renewable sources to total energy consumption (%)	0	0
Total energy produced (GJ)	0	0
Total energy produced from renewable sources (%)	0	0
Total Direct (Scope 1) and Indirect (Scope 2) Greenhouse gas emissions (tn)	1.569,6	1.439,4
Direct (Scope 1) Greenhouse gas emissions (tn)**	520,1	420,2
Due to diesel consumption for vehicle fleet	155,4	122,5
Due to gasoline consumption for vehicle fleet	123,8	78,2
Due to petrol consumption for heating	240,9	219,5
Indirect (Scope 2) Greenhouse gas emissions (i.e. due to electricity consumption (tn)**	1.049,5	1.019,2
CO <sub>2</sub> emissions due to air travel (other indirect emissions) (kg)***	22.382	2.139****
Direct (Scope 1) Greenhouse gas emissions intensity (tons/employee)	0,8	0,9
Indirect (Scope 2) Greenhouse gas emissions intensity (tons/employee)	1,6	2,1

\* Water consumption for 2020 includes also the volume required to fill the cooling towers for the air conditioning system in INTRALOT's building in Maroussi, due to water leakages noticed.

\*\*Sources of conversion factors: GHG Protocol GHG emissions from transport or mobile sources Calculation Tool v2.6 May 2015 (Diesel, Gasoline), GHG Protocol GHG emissions from stationary combustion Calculation Tool V 4.1 May 2015 (Heating Petrol), National Inventory Report 2021 for Greece (Electricity)

\*\*\*Estimated emissions.

\*\*\*\*Figure refers to the period 01/01/2021–30/06/2021.

NR = Not reported

### Notifications related to article 8 of the EU Taxonomy Regulation

The European taxonomy (EU Taxonomy Regulation, (EU) 2020/852) is a classification system that compiles a list of environmentally sustainable economic activities. It aims to play an important role in helping the EU increase sustainable investment under the Europe Green Deal. The EU classification will provide companies, investors, and policymakers with appropriate definitions for which economic activities can be considered environmentally sustainable. The scope of the Taxonomy Regulation includes inter alia undertakings which are subject to the obligation to publish non-financial statements pursuant Art.19a or 29a of the Accounting Directive 2013/34/EU. These undertakings are to provide investors with a basis for their investment decision by disclosing information on how and to what extent the undertaking's activities are associated with environmentally sustainable economic activities (Art.8 of the Taxonomy Regulation). The aim is to increase transparency and help prevent greenwashing and enlarge the space for green finance.

## **1. Identification of Key Performance Indicators (KPIs)**

The European Commission identifies three Key Performance Indicators (KPIs) to be disclosed regarding the proportion of the Taxonomy eligible activities of the Group to its total activities:

### **Turnover**

The percentage of the Taxonomy eligible economic activities on the total turnover has been calculated as part of the turnover associated with the Taxonomy eligible economic activities (numerator), to the total consolidated turnover (denominator).

### **Operating Expenses**

The percentage of the operating expenses related to the Taxonomy eligible economic activities (numerator) to the total operating expenses (denominator) on a consolidated basis. The total operating expenses can be derived from the summation of the figures reported in Notes [2.4](#), [2.5](#), [2.6](#) and [2.9](#) of the financial statements.

### **Capital Expenditure**

The capital expenditure defined as Taxonomy eligible economic activities (numerator) to the total capital expenditure (denominator). The total capital expenditure consists of the additions to intangible assets, property, plant and equipment, right-of-use assets and investment property during the financial year, before depreciation and amortization, impairment and any measurements, including any resulting remeasurement and impairment. The total capital expenditure can be derived from the summation of the figures reported in Notes 2.5 και 2.8 (impairments) of the financial statements.

## **2. Application of Taxonomy Regulation**

The following disclosures are provided for the purposes of the simplified reporting requirements in accordance with the Art.10 (2) of the Art.8 Delegated Deed (Delegated Regulation (EU) 2021/2178). We have examined all Taxonomy eligible economic activities listed in the Climate Delegated Act based on our Group activities as a gaming solutions supplier and operator. The Climate Delegated Act focuses on those economic activities and sectors that have the greatest potential to achieve the objective of climate change mitigation, i.e. the need to avoid producing greenhouse gas emissions, to reduce such emissions or to increase greenhouse gas removals and long-term carbon storage. After a thorough review involving all relevant divisions and functions, we concluded that our core economic activities are not covered by the Climate Delegated Act and consequently are Taxonomy non-eligible. As a result, the share of the Taxonomy eligible economic activities according to the Art. 8 of the Regulation for Taxonomy and the Art. 10 (2) of the Art. 8 of the Delegated Act in our turnover is 0% and consequently the related operating and capital expenditures are also 0%.



## HUMAN RESOURCES

### Our Best Asset

Acknowledging the importance of Human Resources as the most important asset and competitive advantage of any Company, the policies pursued, and the initiatives undertaken by INTRALOT and its subsidiaries abroad, aim at effectively attracting, enhancing, motivating, and retaining talent. The continuous efforts and contribution of all INTRALOT employees, as well as their unceasing trust and support of its shareholders, remain a key factor in the advancement of the Company's competitiveness and further growth. The Company undertakes to provide its employees with a working environment that will constantly develop their capabilities and enhance their performance through reward and recognition schemes, always in accordance with the principles that govern the Group.

From an HR perspective, 2021 has been another challenging year due to the COVID-19 pandemic breakout. The health and safety of our people remained our top priority. Therefore, we had fully complied with all measures imposed by local governments and employed all available technological resources in order to effectively work remotely.

At Headquarters level, the total turnover rate was at the range of 19,4%, while the people who joined reached 5,4% of the total personnel base. For the selection of human resources, high recruitment standards and processes have been followed.

### Performance Appraisal Management

The Performance Appraisal Management system operates in the parent company and in most subsidiaries for 5 years. An integrated and detailed goal setting process is set at the beginning of the year, followed by a review of these goals and a meeting between the employee and the supervisor in the middle of the year (to make any necessary adjustments on plans and/or minor changes of goals) and it is concluded at the beginning of next year with the performance appraisal of the year passed.

In 2021 the company made some important modifications, in order to make the process user friendly and more efficient, by implementing the hybrid model of Continuous Performance Management (CPM). With the CPM, the company's management team has the opportunity to update, where necessary, the goals during the year, while providing specific details and validation. In parallel, the performance system has been enhanced by a feature of continuous monitoring of the employee's contribution to achieving these goals. The activities and the achievements, as well as the relevant feedback received from colleagues, have now become part of the new performance management appraisal.

From an innovation point of view, INTRALOT is moving from a traditional performance appraisal scheme to a more modern, dynamic and flexible model, thus improving productivity and offering opportunity for regular meet ups and alignment between the employee and his/her supervisor.

## Training and Development

In 2021, our efforts were focused on internal promotions and training. 10% of our people were promoted, while 4 rose to Top Management level.

In terms of Training, great emphasis was placed on specialized training mainly through e-learning platforms, in partnership with Microsoft - a skills development program involving more than 400 employees. Also, trainings were implemented for the induction of the newcomers, the leadership skills development and the development of technical skills through platforms, such as Pluralsight and Udemy, by creating individualized training programs. Moreover, the security and compliance training program, the responsible game, the anti-bribery policy and the new performance management system of our people were redesigned and took place throughout the year via our corporate e-learning platform. Specifically, at Headquarters level, approximately 3.500 participations in 34 instructor-led training sessions and in nearly 650 e-learning (self-paced) training courses, totaling approximately 11.000 training hours.

## Activities

The company, in the context of strengthening its Employer Branding, participated in the most important events for attracting new talented people in the field of technology, such as: Open Conference, Project Future, University Of Piraeus – Mock Interviews, One conference, 2021 Career and Internships Day – Hellenic American College, Digital Developers Day, Panorama (Virtual), Career Days by AUEB, Deree Career Days 2021, ReGeneration Academy for Women in Data Engineering powered by EY and Youth Empowered.

Furthermore, a series of healthcare benefits were carried out in the past year, such as the proactive healthcare check-up, the annual flu vaccination and the blood donation initiative, to serve the needs of INTRALOT's blood bank. Additionally, further initiatives took place in order to inform our people about wellness, the new integrated recycling program and the environmental practices in the office.

Last but not least, in 2021 our company had the following Distinctions at HR Awards 2021: 1) a Silver Award for our Continuous Performance Management (CPM), 2) Bronze Awards for:

a) "iLead"-Innovative leadership development program focusing on excellence and

b) "Reskilling Strategy for employees via an online platform, aiming at their well-timed training in technical skills".

## RISKS AND UNCERTAINTIES

### Enterprise Risk Management

The Enterprise Risk Management (ERM) Framework documents the good practices adopted by the INTRALOT Group in order to identify, assess and manage risks related to the achievement of its business objectives.

INTRALOT ERM targets at the assurance of stakeholder and shareholder trust through the appropriate and continuous balancing of risk and value.



INTRALOT ERM follows a holistic approach for taking into account all parameters that drive the execution of INTRALOT Group Strategy, including INTRALOT's financial health, operations, people, technology, compliance, products and reputation.

ERM provides the means to continuously monitor risk, align it with the changing internal and external parameters and manage it according to the defined corporate risk appetite.

The Enterprise Risk Management (ERM) Framework is designed according to the specifications of COSO (Committee of Sponsorship Organizations of the Treadway Commission) and ISACA (COBIT for RISK). It is a holistic strategic framework taking into account risks related to the business objectives of INTRALOT GROUP.

The framework incorporates the following components:

1. Objective setting: Objectives are clearly defined in order to be used as a reference point for the identification of risks. A process is in place for setting objectives that align with INTRALOT's mission and are consistent with the corporate risk appetite.
2. Risk assessment: Risks are analyzed in relation to the objectives and by determining the likelihood of and impact from the realization of an adverse event.
3. Risk response: Management selects risk responses – avoiding, accepting, reducing, or sharing risk – developing a set of actions to align risks with the entity's risk tolerances and risk appetite.
4. Event identification: Internal and external events affecting the achievement of INTRALOT objectives are identified.
5. Internal environment: The internal environment sets the basis for how risk is viewed and addressed by people, including risk management philosophy and risk appetite, integrity and ethical values, and the environment in which they operate.
6. Control activities: Policies, procedures, strategies and action plans in general are established and implemented to help ensure the risk responses are effectively carried out.
7. Information and communication: Relevant information is identified, captured, and communicated in a form and time frame that enable people to carry out their responsibilities.
8. Monitoring: Risk is monitored, and modifications made as necessary. Monitoring is accomplished through ongoing management activities, separate evaluations, or both.

### **Description of significant risks and uncertainties**

#### **FINANCIAL RISKS**

The Group's international activities create several financial risks in the Group's operation, due to constant changes in the global financial environment. The Group beyond the traditional risks of liquidity risk and credit risk also faces market risk. The most significant of these risks are currency risk and interest rate risk. The risk management program is a dynamic process that is constantly evolving and adapted according to market conditions and aims to minimize potential negative impact on financial results. The basic risk management policies are set by the Group Management. The risk management policy is implemented by the Treasury Department of the Group which operates under specific guidelines approved by management.

#### **Credit risk**

The Group does not have significant credit risk concentration because of the wide dispersion of its customers and the fact that credit limits are set through signed contracts. The maximum exposure of credit risk amounts to the aggregate values presented in the financial position. In order to minimize the

potential credit risk exposure arising from cash and cash equivalents, the Group sets limits regarding the amount of credit exposure to any financial institution. Moreover, in order to secure its transactions even more, the Group adopted an internal rating system, regarding credit rating evaluation, using the relevant financial indices.

### **Liquidity risk**

Prudent liquidity management means maintaining adequate liquidity, funding ability through approved credit limits, and ability to repay liabilities. The Group has established specific policies to manage and monitor its liquidity in order to continuously have sufficient cash and liquid non-core assets that can meet its obligations. In addition, the Group has set up a system of monitoring and constant optimization of its operating and investing costs in the framework of its liquidity management policies.

Further analysis of the maturity of the financial liabilities of the Group is provided in note [2.33](#) of the annual financial statements.

### **Market Risk**

#### **1) Foreign Exchange risk**

Fluctuations in exchange rates can have significant effects on the Group's currency positions. Group transactions are carried out in more than one currency and therefore there is a high exposure in foreign exchange rate fluctuations against the euro, which is the main underlying economic currency. On the other hand, the Group's activity abroad also helps to create an advantage in foreign exchange risk management, due to the diversification in the currency portfolio. This kind of risk mainly results from commercial transactions in foreign currency as well as investments in foreign entities. For managing this type of risk, the Group enters into derivative financial instruments with various financial institutions, such as foreign currency hedging for receipts of foreign currency dividends by abroad subsidiaries. The Group's policy regarding the foreign exchange risk concerns not only the parent company but also the Group's subsidiaries.

Further analysis of the sensitivity analysis on foreign exchange variations and currency hedging derivatives is provided in note [2.33](#) of the annual financial statements.

#### **2) Interest rate risk**

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's activities are closely linked to interest rates because of investments and long and short-term borrowings. To manage this risk category, the Group uses financial hedging instruments in order to reduce its exposure to interest rate risk. The Group's policy on managing its exposure to interest rate risk affects not only the parent company but also its subsidiaries for their loans concluded in euros or local currency. The Group's exposure to the risk of changes in market interest rates relates primarily to long-term borrowings of the Group's floating rate. The Group also manages interest rate risk by having a balanced portfolio of loans with fixed and floating rate borrowings. On 31 December 2021, taking into account the impact of possible financial hedging products, almost all of the Group's borrowings are at a fixed rate (31/12/2020: 98,5%) with an average life of approximately 3,2 years. As a result, the impact of interest rate fluctuations in operating results and cash flows of the Group's operating activities is small.



### 3) High leverage risk

INTRALOT's ability to incur significant additional amounts of debt so as to finance its operations and expansion depends on capital market conditions that influence the levels of new debt issues interest rates and relevant costs. Furthermore, INTRALOT may be able to incur substantial additional debt in the future, however, under the Senior Notes terms will be able to incur additional debt so long as on an actual basis its consolidated fixed charge coverage ratio is at least 2,00 (31/12/2021: approximately 2,86), and will be able to incur additional senior debt as long as on a pro forma basis the ratio of total net debt to EBITDA (senior leverage ratio) is not more than 3,75 (31/12/2021: approximately 4,36). Furthermore, to the above, the Group can incur additional debt from specific baskets. In addition, according to Senior Notes terms (SSN & Supplemental Indenture), the Group, through its subsidiary Intralot Inc., will be able to obtain additional borrowing, provided that on an actual basis the ratio of total net debt to EBITDA (senior leverage ratio) is not more than 3,75 (31/12/2021: in compliance).

Further analysis of the Group's leverage is provided in note [2.33](#) of the annual financial statements.

### OPERATING RISKS

#### Winners' payouts in sports betting

INTRALOT is one of the largest sports betting operator worldwide. The winners' payout in sports betting may fluctuate in the short-term since it depends on the outcome of the events. The fluctuation of the payout may affect the financial results and cash flows of INTRALOT since it represents a significant cost element for the Company.

#### Gaming sector and economic activity

The gaming market is affected by the economic cycles since lottery products are consumer products. However, the gaming sector is more resilient than other sectors of the economy in periods of economic crisis. Specifically, during an economic downturn, frequent draw games (like KENO or VLTs) are most likely to present a reduction in revenues, while lotto type games are less affected. With its international expansion, INTRALOT has achieved significant diversification and has reduced its dependency on the performance of individual markets and economies.

#### Gaming Taxation

The financial crisis has increased the budget deficits of many countries. The increase of the taxation of lottery games constitutes sometimes an easy, but not correct in Group's opinion, solution for the governments to finance these deficits. Nevertheless, such measures may affect INTRALOT's financial results.

#### Regulatory risk

The gaming industry is subject to extensive regulations and oversight and regulatory requirements vary from jurisdiction to jurisdiction. Because of the broad geographical reach of INTRALOT's operations, it is subject to a wide range of complex gaming laws and regulations in the jurisdictions in which it is licensed or operate. These regulations govern, for example, advertisement, payouts, taxation, cash and anti-money laundering compliance procedures and other specific limitations, such as the number of gaming machines in a given POS and their proximity to each other. Most jurisdictions require that INTRALOT be licensed. If a license, approval or finding of suitability is required by a regulatory authority and INTRALOT fails to seek or does not receive the necessary approval, license or finding of suitability, then it may be prohibited from providing its products or services for use in the particular jurisdiction. INTRALOT relies on government licenses in order to conduct its main business activities and termination

of these licenses would have a material adverse effect on Group revenue. Changes in regulatory environment in any particular jurisdictions may have a material adverse impact on Group results, cash flows, business operations or prospects.

### **Technological changes**

The gaming industry is characterized by rapidly changing technology and evolving industry standards. Many of INTRALOT's software and hardware products are based on proprietary technologies. INTRALOT's competitiveness in the future will depend on its ability to respond to technological changes and satisfy future technology demands by developing or licensing innovative and appealing products in a timely and cost-effective manner. INTRALOT invests significant financial resources in R&D efforts to develop innovative products so as to compete effectively in the gaming markets.

### **Emerging markets risk**

INTRALOT operates and offers its products and services in many countries, actively operating in rapidly growing and emerging markets. Potential social, political, legal and economic instability in these markets, such as the political turmoil in Turkey in 2016, may pose significant risks to the Group ability to conduct its business and expand its activities in these markets. Although management believes its operations in Turkey have not been affected, there can be no assurances such events will not have an impact in the future.

### **Competition risk and margin squeeze**

Intralot operates in a highly competitive industry and its success depends on its ability to effectively compete with numerous domestic and foreign companies. Also, Intralot is heavily dependent on its ability to renew its long term contracts with its customers and could lose substantial revenue and profits if it is unable to renew such contracts or renew them with less favorable terms (profit margins, smaller range of services, etc.) due to high competition during public tender process.

### **Environmental Sustainability**

INTRALOT embodies environmental sustainability by identifying best practices and perform green initiatives that align with its' values, in order to reduce its' environmental footprint. Paper and energy consumption are the largest environmental impacts identified. INTRALOT is committed to reducing the amount of waste and improve its' recycling rates. Additionally, it reduces the use of physical resources such as paper and ink by reducing printing within the offices. INTRALOT is measuring its environmental impact in order to operate in a more sustainable way in the future.

### **Other Operating Risks**

- risks posed by illegal betting (loss of market share),
- changes in consumer preferences,
- increased competition in the gaming industry,
- non-renewal or termination of material contracts and licenses,
- seasonality of sports schedules,
- player fraud.

### **Risk of coronavirus pandemic (COVID-19)**

The COVID-19 pandemic continues to affect economic and business activity around the world. The extent of its impact will depend on its duration, government policy in key jurisdictions regarding restrictions implemented and the current and subsequent economic disruption that the pandemic will cause.



Regarding the activities of the Group, the Management closely monitors the developments from the outbreak, follows the guidance of the local health authorities and observes the requirements and actions implemented by all local governments. The Group has implemented emergency plans to reduce the potential adverse effects on the Group's employees and businesses. Further details regarding the restrictions on Group operations from both COVID-19 and local governments actions, as well as the potential financial impacts on the performance of the year 2021, are presented in the section "Coronavirus (COVID-19) pandemic impact" of the Board of the Directors Report, and in the note [2.37](#) "CORONAVIRUS PANDEMIC (COVID-19) IMPACT" of the Annual Financial Statements for the period ended 31 December 2021.

**MATERIAL TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES:**

The most important transactions between the Company and its related parties as per IAS 24 are presented on the table below:

Group (total operations)	Income		Expense	
	1/1/2021- 31/12/2021	1/1/2020- 31/12/2020	1/1/2021- 31/12/2021	1/1/2020- 31/12/2020
Intracom Holdings Group	17	82	4.614	5.411
Hellenic Lotteries S.A.	0	0	0	0
Lotrich Information Co LTD	2.088	2.344	0	0
Intralot de Peru SAC	93	2.140	0	0
Firich Enterprises Co LTD	43	6	986	2.892
Other related parties	378	356	511	1.969
Executives and members of the board	0	0	7.605	8.643
<b>Total</b>	<b>2.619</b>	<b>4.928</b>	<b>13.716</b>	<b>18.915</b>

Company	Income		Expense	
	1/1/2021- 31/12/2021	1/1/2020- 31/12/2020	1/1/2021- 31/12/2021	1/1/2020- 31/12/2020
Intracom Holdings Group	0	0	2.835	4.380
Lotrich Information Co LTD	2.341	3.754	0	0
Firich Enterprises Co LTD	43	6	730	485
Intralot de Peru SAC	93	2.518	0	0
Intralot Maroc S.A.	1.208	1.783	1.174	0
Maltco Lotteries Ltd	1.576	1.708	0	0
Intralot Finance UK LTD	10.821	1.871	23.671	17.585
Betting Company S.A.	629	384	1.122	1.045
Inteltek Internet AS	0	2.091	3	0
Intralot Global Operations B.V.	4.800	2.924	3.014	0
Intralot Gaming Services Pty Ltd	3.729	2.268	0	5
Intralot Inc	8.206	6.800	0	0
Intralot Australia PTY Ltd	453	2.473	0	0
Bilyoner Interaktif Hizmetler A.S.	1.945	1.098	65	0
Intralot Ireland LTD	1.620	1.273	0	0
Intralot Iberia Holdings S.A.	3.218	516	116	0
Intralot Adriatic DOO	3.582	1.563	1.339	0
Intralot Benelux B.V.	3.868	1.082	0	0
Bit8 LTD	0	16	2	1.440
Intralot Global Holdings B.V.	11	5	1.430	3.433
Intralot International Ltd	3.434	10.915	417	160
Other related parties	2.101	2.564	4	2.768
Executives and members of the board	0	0	5.206	6.293
<b>Total</b>	<b>53.677</b>	<b>47.612</b>	<b>41.128</b>	<b>37.596</b>

Group (total operations)	Receivable		Payable	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Intracom Holdings Group	1.348	1.978	7.697	5.555
Lotrich Information Co LTD	1.182	674	0	0
Turkcell Group	0	0	0	0
VSC	5.136	4.579	0	389
Other related parties	9.618	7.946	225	2.514
Executives and members of the board	32	0	360	343
<b>Total</b>	<b>17.316</b>	<b>15.177</b>	<b>8.282</b>	<b>8.801</b>



Company	Receivable		Payable	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Intracom Holdings Group	42	56	3.287	4.728
Intralot International Ltd	13.452	0	420	164
Betting Company S.A.	1.591	10.875	4.702	4.052
Intralot Global Holdings B.V.	11	1.817	4.142	3.433
Bilyoner AS	0	4	1.701	0
Maltco Lotteries LTD	1.464	1.287	0	0
Lotrom S.A.	1.663	1.523	12.734	12.940
Intralot Inc	439	1.663	0	264
Intralot Finance UK LTD	1.558	26.036	250.425	308.338
Intralot Beijing Co LTD	0	1.871	0	1.861
Intralot Gaming Services PTY LTD	811	0	36	36
Intralot Maroc S.A.	6.989	2.306	1.174	9
Intralot Global Operations B.V.	7.069	6.258	3.014	0
Intralot Australia PTY LTD	10	4.879	199	174
Intralot Adriatic DOO	8.119	1.331	1.350	4
Intralot Benelux B.V.	3.159	4.530	0	0
Other related parties	9.237	994	1.711	1.046
Executives and members of the board	0	10.685	263	240
<b>Total</b>	<b>55.615</b>	<b>76.118</b>	<b>285.158</b>	<b>337.289</b>

From the company income in 2021, €4.997 thousand (2020: €4.986 thousand) refer to dividends from the subsidiaries Iberia Holdings Sa and Bilyoner AS (Inteltek Internet AS and associate company Intralot de Peru SA for 2020) and associated company Lotrich Information Co LTD.

The BoD and Key Management Personnel transactions and fees for the Group and the Company for the year 1/1/2021-31/12/2021 were €7,6 million and €5,2 million respectively (2020: €8,6 million and €6,3 million respectively).

### ALTERNATIVE PERFORMANCE MEASURES ("APM")

The Group uses Alternative Performance Measurements ("APM") in decision-making regarding its financial, operational and strategic planning as well as for the evaluation and publication of its performance. These APMs serve to better understand the financial and operating results of the Group, its financial position and the cash flow statement. Alternative indicators ("APM") should always be taken into account in conjunction with the financial results prepared in accordance with IFRS and under no circumstances replace them.

#### Definitions and reconciliation of APM

In the description of the Group's performance, "Adjusted" indicators are used:

- Net sales after winners payout (GGR)
- Adjusted EBITDA,
- Adjusted Net Debt, and
- Adjusted free cash flow,

#### Net Sales after winners' payout (GGR)

The "Net Sales after winners' payout (GGR)" are calculated by subtracting the "Pay out" from "Sale proceeds". The relevant calculations are illustrated below:

	GROUP	
	1/1-31/12/2021	1/1-31/12/2020
Sale proceeds	413.998	344.885
Winners Pay out	-78.695	-59.526
<b>Net sales after winners payout (GGR)</b>	<b>335.303</b>	<b>285.359</b>



### Net Debt

Net debt is an APM used by the management to assess the capital structure of the Group. Net debt is calculated by adding to "Long-term debt" the "Long-term lease liabilities" the "Short-term debt" and the "Short-term lease liabilities" and deducting from total the "Cash and cash equivalents".

### Net Debt (adjusted)

The adjusted net debt is defined as the net debt except for the discontinued operations of the Group in Poland (Totolotek S.A.), Bulgaria (Bilot EOOD, Eurofootball Ltd, Bilot Investment Ltd, Eurobet Ltd, Eurobet Trading Ltd, ICS S.A.), Brazil (Intralot do Brazil Ltda, OLTP Ltda) and Peru (Intralot de Peru SAC). The relative calculations are presented below:

	GROUP	
	31/12/2021	31/12/2020
Long-term debt	578.805	468.695
Long-term lease liabilities	9.179	7.469
Short-term debt	13.678	272.032
Short-term lease liabilities	2.857	2.882
<b>Total debt</b>	<b>604.519</b>	<b>751.078</b>
Cash and cash equivalents	-107.339	-99.984
<b>Net debt</b>	<b>497.180</b>	<b>651.095</b>
Discontinued operations debt	0	-63
Discontinued operations cash and cash equivalents	0	601
<b>Net debt (adjusted)</b>	<b>497.180</b>	<b>651.633</b>
<b>EBITDA from continuing operations</b>	<b>110.440</b>	<b>66.191</b>
<b>Leverage</b>	<b>4,50</b>	<b>9,84</b>

\*Restated due to change in accounting policy (note [2.1.4](#))

### EBITDA

International Financial Reporting Standards (IFRS) do not define the content of the "EBITDA" & "EBIT". The Group taking into account the nature of its activities, defines "EBITDA" as "Operating Profit/(Loss) before tax" adjusted for the figures "Profit/(loss) from equity method consolidations", "Profit/(loss) on net monetary position", "Exchange Differences", "Interest and similar income", "Interest and similar expenses", "Income/(expenses) from participations and investments", "Write-off and impairment loss of assets", "Gain/(loss) from assets disposal", "Reorganization costs" and "Assets depreciation and amortization". Also, the Group defines "EBIT" as "Operating Profit/(Loss) before tax" adjusted for the figures "Profit/(loss) from equity method consolidations", "Profit/(loss) on net monetary position", "Exchange Differences", "Interest and similar income", "Interest and similar expenses", "Income/(expenses) from participations and investments", "Write-off and impairment loss of assets" and "Gain/(loss) from assets disposal".

Reconciliation of operating profit before tax to EBIT and EBITDA (continuing operations):	GROUP	
	1/1-31/12/2021	1/1-31/12/2020 Restated*
<b>Operating profit/(loss) before tax</b>	<b>37.101</b>	<b>-91.870</b>
Profit / (loss) to net monetary position	-595	-61
Profit / (loss) from equity method consolidations	-213	1.476
Exchange Differences	1.165	8.639
Interest and similar income	-47.381	-1.539
Interest and similar expenses	60.942	49.903
Income/(expenses) from participations and investments	-45.112	3.895
Gain/(loss) from assets disposal, impairment loss and write-off of assets	16.318	21.028
<b>EBIT</b>	<b>22.225</b>	<b>-8.530</b>
Depreciation and amortization	71.046	67.967
Reorganization costs	17.170	6.754
<b>EBITDA</b>	<b>110.440</b>	<b>66.191</b>

\*Restated due to change in accounting policy (note [2.1.4](#))

### Adjusted EBITDA

The adjusted EBITDA is presented in order to better analyze the Group's operating results in combination with its respective structure. As "Adjusted EBITDA" is defined the "Proportionate" EBITDA of the Group by adding the "Proportionate" EBITDA of the Group's most important associates and other companies. As "Proportionate" EBITDA of the Group is defined, the sum of the product of EBITDA contributed by each subsidiary (after the elimination of intra-group transactions) multiplied by the Group's participation percentage in that subsidiary. As "Proportionate" EBITDA of the most important associates and other companies of the Group is defined the sum of the product of EBITDA contributed by each company multiplied by the Group's participation percentage in that company.

The most important associates and other companies are those in which the Group participates with more than 15% and distribute dividends on a systematic basis. For 2021 and 2020 the most important associates and other companies are identified as: Hellenic Lotteries S.A. (until the sale date of the investment), and Lotrich Information Co LTD.

The EBITDA of the Totolotek S.A., Bilot EOOD, Eurofootball Ltd, Bilot Investment Ltd, Eurobet Ltd, Eurobet Trading Ltd, ICS S.A., Intralot do Brazil Ltda, OLTP Ltda and Intralot de Peru SAC Ltd has been excluded from the calculation as it has been classified in the discontinued operations according to the IFRS 5. The relevant calculations are presented below:

Adjusted EBITDA	GROUP	
	1/1-31/12/2021	1/1-31/12/2020 Restated*
<b>EBITDA</b>	<b>110.440</b>	<b>66.191</b>
"Proportionate" EBITDA of the Group	84.086	55.506
"Proportionate" EBITDA of the most important associates and other companies of the Group	283	374
<b>Adjusted EBITDA</b>	<b>84.369</b>	<b>55.880</b>

\*Restated due to change in accounting policy (note [2.1.4](#))

### Adjusted free cash flows

The "Adjusted free cash flows" are defined as the EBITDA of the Group, subtracting the "Maintenance Capital Expenditure", the "Income tax paid", the "Interest and similar expenses paid" (except "Refinancing costs paid" included in "Interest and similar expenses paid"), the "Interest received", the "Dividends received" and "Dividends paid". The aforementioned amounts relate to Group's continuing operations (excluding discontinued operations Azerinteltek AS, Totolotek SA, Bilot EOOD, Eurofootball Ltd, Bilot Investment Ltd, Eurobet Ltd, Eurobet Trading Ltd, ICS S.A. as well as the selling expenses of the



investment Gamenet Group S.p.A.). As "Maintenance Capital Expenditure" is defined the cash outflow to acquire tangible and intangible fixed assets associated with existing Group projects in order to maintain, replace or upgrade the Group's Gaming Technology Equipment as required to maintain gaming systems in good operating mode during each contract. "Refinancing costs paid" are defined as the redemption premium and the tender offer premium and the issue costs of bank loans. The relevant calculations are presented below:

(continuing operation)	GROUP	
	1/1-31/12/2021	1/1-31/12/2020
<b>EBITDA</b>	<b>110.440</b>	<b>66.191</b>
Maintenance Capital Expenditure	-10.900	-7.300
Income tax paid	3.840	-14.516
Interest and similar expenses paid	-40.650	-45.840
Interest received	2.072	2.142
Dividends received	1.210	2.476
Dividends paid	-6.479	-8.226
<b>Adjusted free cash flows</b>	<b>59.533</b>	<b>-5.073</b>

Reconciliation with Group Cash Flow Statement:

GROUP 1/1-31/12/2021	Total Operations	Discontinued Operations	Continuing Operations
Income tax paid	3.840	0	3.840
Interest and similar expenses paid	-40.672	-22	-40.650
Interest received	2.077	5	2.072
Dividends received	1.210	0	1.210
Dividends paid	-6.479	-0	-6.479

GROUP 1/1-31/12/2020	Total Operations	Discontinued Operations	Continuing Operations
Income tax paid	-14.511	-5	-14.516
Interest and similar expenses paid	-45.941	-101	-45.840
Interest received	2.153	11	2.142
Dividends received	3.441	965	2.476
Dividends paid	-8.461	-235	-8.226

From the information stated above and from the Financial Statements you are able to have a complete picture of the Group for the year 1/1/2021-31/12/2021.

Peania, 8/4/2022

Sincerely,

Chairman of the Board of Directors  
and Group CEO

Sokratis P. Kokkalis

## **Explanatory Report on Article 4 par. 7 & 8 of L. 3556/2007**

### **1. Share capital structure.**

The share capital of the Company amounts today to forty five million six hundred and seventy eight thousand five hundred sixteen euro and thirty cents (€45.678.516,30) divided by one hundred fifty two million two hundred and sixty one thousand seven hundred twenty one (152.261.721) nominal shares at thirty cents (€0.30) each. All Company shares are introduced to the Athens Stock Exchange for negotiation, in the Surveillance category, under "Travel & Leisure / Casinos & Gambling" Sector. Company shares are common registered shares with a voting right.

### **2. Restrictions on company share transfer.**

Transfer of Company shares is made in accordance with the law, and the Company Statute contains no restrictions on transfer.

### **3. Major direct or indirect participation pursuant to the Articles 9 to 11 of L. 3556/2007**

Mr. Socratis Kokkalis owned indirect 20.885% of the corporate share capital as of 31/12/2021, through ALPHACHOICE SERVICES LTD, a company 100% controlled by the company "K-SYSTEMS", 100% controlled by Mr. Socratis P. Kokkalis.

All other natural or legal person / entity own no more than 5% of the corporate share capital.

### **4. Shareholders with special control rights (all types of shares).**

Corporate shares, which confer special control rights to their holders, have not been issued.

### **5. Restrictions on the voting right.**

The Company Statute does not provide for restrictions on the voting right.

### **6. Agreements between Company Shareholders.**

The Company has no notion of agreements between its shareholders that may result in restrictions both on share transfer and on the exercise of the related voting rights.

### **7. BoD members' appointment rules and replacement; Statute amendments.**

The rules of the Company Statute concerning appointment and replacement of corporate BoD members, as well as amendments in the Statute provisions, are conformed with Law 4548/2018.

### **8. BoD or BoD member responsibility for the issuance of new shares or the purchase of own shares.**

Intralot BoD is responsible for issuing new shares in the following cases:

a. According to article 5 § 2 and 3 of the corporate Statute:

*" 2. Without prejudice to the provisions of par. 3 of this article, it is decided herewith that the Company's Board of Directors is entitled upon relevant authorization of the General Meeting of the Company's Shareholders, to make a decision by the majority of two thirds (2/3) of all its members and to increase the Company's share capital, wholly or partly, by issuing new shares for an amount which cannot exceed three times the amount of the share capital which was paid up on the date when such power and authority was granted to the Board of Directors. The above decision of the General Meeting of the Company's Shareholders is subject to publication in accordance with the provisions of article 13 of L. 4548/2018.  
The above power and authority of the Board of Directors can be renewed by the General Meeting of the Company's Shareholders for a period of time not exceeding a five-year period for each renewal, while it becomes effective after the expiration of each five-year period.*



3. Any decision on increase of the Company's share capital made in accordance with the provisions of par. 2 of this article constitutes a modification of the Company's Articles of Association".

The above right has not been conferred to the corporate BoD.

- b. In the cases referred to in article 26 of the L. 4548/2018 and article 113 of L.4548/2018 in accordance with the article 7 § 3 and 4 (grant stock option rights) last quotation of Articles of Association.

*"3. In any case of increase of the Company's capital, which is not made by way of contribution in kind as well as in the case of issue of bonds convertible into shares, the shareholders of the Company at the time of issue of the new shares have a pre-emption right as regards the acquisition of all new shares or the participation in the bond loan, on a pro-rata basis, according to the number of shares they already own.*

*The pre-emption right should be exercised within the deadline set by the Company's body which decided on the increase. Such deadline can under no circumstances be less than fourteen (14) days, without prejudice to the provisions regarding deadline for payment of the share capital, as specified in article 20 of L.4548/2018. In case of paragraph 2 of article 25 of L.4548/2018, the deadline set for the exercise of the pre-emption right starts as of the date when the relevant decision of the Board of Directors was made regarding determination of the price of disposal of the new shares. After the expiration of such deadlines, the shares which have not been paid according to everything specified hereinabove, shall be disposed of by the Company's Board of Directors at its discretion at a price which cannot be less than the price paid by the shareholders at the time of increase. In the event that the Company's body which decided on the increase of the capital fails to set the deadline for the exercise of the pre-emption right, then such deadline or any extension thereof, is set upon decision of the Company's Board of Directors within the period of time specified in article 20 of L. 4548/2018.*

*The invitation regarding the exercise of the pre-emption right should also specify the deadline for the exercise of such right and is subject to publication by the Company in the Government Gazette. Without prejudice to the provisions of paragraph 2 of article 25 of L. 4548/2018, the invitation regarding the exercise of the pre-emption right and the notification regarding the deadline set for the exercise of the pre-emption right, according to everything specified hereinabove, may be omitted, provided that shareholders representing the entire share capital were present in the meeting and provided that they were notified of the deadline set for the exercise of the pre-emption right or declared that they have decided whether they shall exercise or not the pre-emption right. The publication of the invitation may be replaced by a registered letter, return receipt requested.*

*Upon decision of the General Meeting of the Company's Shareholders made in accordance with the provisions of paragraphs 3 and 4 of article 130 and paragraph 2 of article 132 of L. 4548/2018, the pre-emption right specified in article 26 of L. 4548/1920, may be limited or abolished. Such decision can only be made in the event that the Company's Board of Directors has submitted to the General Meeting of the Company's Shareholders a written report specifying the reasons why the pre-emption right should be curtailed or abolished and justifying the price which is suggested for the issue of the new shares. The decision of the General Meeting is subject to publication. There is no case of exclusion from the pre-emption right, according to everything specified in the previous paragraph, when shares are taken by credit institutions or by companies providing investment consulting services, which are entitled to accept title deeds for safeguarding, according to everything specified in the previous paragraph, and in order to offer them to the shareholders, in accordance with the provisions of paragraph 1 of article 26 of L. 4548/2018. In addition, there is no case of exclusion from the pre-emption right, when the capital increase is intended to give employees a holding in the Company's share capital in accordance with articles 113 and 114 of L. 4548/2018.*

*The Capital may be increased, in part, by contributions in cash and, in part, by contribution in kind. In this case, the competent body which decides on the increase should declare that the fact that shareholders who contribute in kind do not participate in the increase, which is made by contribution in cash too, does not constitute an exclusion of theirs of the pre-emption right, if the percentage of contributions in kind in comparison to the entire amount of increase is at least equal to the percentage of share capital owned by those shareholders, who make the said contributions. In case of increase of the capital partially by contribution in cash and partially by contribution in kind, the value of contributions in kind should have been assessed, in accordance with the provisions of articles 17 and 18 of L. 4548/2018, before any relevant decision is made.*



4. Upon decision of the General Meeting of the Company's Shareholders made, in accordance with the provisions of paragraphs 3 and 4 of article 130 and paragraph 2 of article 132 of L.4548/2018, a plan may be prepared for the disposal of shares to the members of the Board of Directors and to the personnel of the Company and of other affiliated companies as defined in article 32 of L.4308/2014, in the form of a pre-emption right (option), on the terms and conditions of such decision, while a summary of such decision is subject to publication. Persons who provide services to the Company on a regular basis can also be designated as beneficiaries in the above plan. The nominal value of shares, which are disposed of according to the provisions of this paragraph, can under no circumstances exceed one tenth (1/10) of the share capital, which was paid up on the date when such decision was made by the General Meeting of the Company's Shareholders. The decision of the General Meeting of the Company's Shareholders specifies that, in order to satisfy the legal requirements with regard to the pre-emption right, the Company will increase its share capital or will use shares, which are acquired or have been acquired by the Company, in accordance with the provisions of article 49 of L. 4548/2018. In any case, the decision of the General Meeting of the Company's Shareholders should specify the highest number of shares which may be acquired or issued, in the event that the beneficiaries shall exercise the above mentioned right of theirs, the price and the terms and conditions for disposal of the shares to the beneficiaries, the beneficiaries or the categories of beneficiaries and the method used for the determination of the price of acquisition thereof, without prejudice to the provisions of paragraph 2 of article 35 of L. 4548/2018, the duration of the plan as well as any other relevant term and condition. According to the same decision the beneficiaries or the categories of beneficiaries, the way of exercise of the pre-emption right and any other term and condition related to the plan for the disposal of shares. According to the terms and conditions of the plan, the Company's Board of Directors issues for the beneficiaries who exercised their right certificates proving that they have acquired shares and every three months maximum, it delivers the shares which have already been issued or are issued and it delivers the shares to the above named beneficiaries, by increasing the Company's share capital, while it confirms the increase of the share capital. The decision of the Company's Board of Directors confirming the payment of the amount of increase should be made every three months, in deviation of the provisions of article 20 of L. 4548/2018. The provisions of article 26 of L. 4548/2018 do not apply to those capital increases.

Upon decision made, in accordance with the provisions of paragraphs 3 and 4 of article 130, and paragraph 2 of article 132 of L. 4548/2018, which is subject to publication, in accordance with the provisions of article 12 of L.4548/2018, the General Meeting of the Company's Shareholders is entitled to authorize the Company's Board of Directors to prepare a plan for the disposal of shares, according to the provisions of the previous paragraph, by increasing the share capital, if necessary, and by making all other relevant decisions. Such authorization is valid for five (5) years, unless the General Meeting of the Company's Shareholders shall determine that it is valid for a shorter period of time and that it is irrelevant to the powers and authorities of the Company's Board of Directors, specified in paragraph 1 of article 24 of L. 4548/2018. The resolution of the Company's Board of Directors shall be passed under the terms of article 113 of L. 4548/2018. The above do not apply where the plan for the disposal of shares has been included in the approved remuneration policy.

With respect to the disposal of shares to members of the Board of Directors and/or employees of the Company or its associated companies as defined in article 32 of L. 4308/2014 free of charge, the provisions of article 114 of L. 4548/2018 shall apply. "

c. Pursuant to the current Law 4548/2018 company may acquire own shares.

INTRALOT S.A., according to article 49, L. 4548/2018, and based on the resolution of the Shareholder's Annual General Meeting which took place on the 29.05.2020, has approved a buy-back program of up to 10% of the paid share capital, for the time period of 24 months with effect from 29.05.2020 and until 29.05.2022, with a minimum price of €0.30 and maximum price of €12.00. It has also approved that the own shares which will eventually be acquired may be held for future acquisition of shares of another company or be distributed to the Company's employees or the staff of a company related with it.

During the FY of 2021, the Company sold 775.097 treasury shares (0,49% of the Company's share capital) at an average price of €0,163 per share, and a total value of €126,39 thousand.



Until 31/12/2021 the Company holds 3.724.936 own shares (2,45% of the corporate share capital) with average price €0,93 per share and a total amount of €3,464 thousand, subtracting 4.700.000 treasury shares (2,99% of the share capital of the Company) that were cancelled from the Shareholder's Annual General Meeting dated 29.06.2021.

**9. Key agreement by the Company, which becomes effective, is amended or terminated in case the Company control changes hands following a public offer, and the results of such agreement.**

Some of the contracts of the INTRALOT Group include Change of Control clauses, which give the counterparty state authority the right to check the persons acquiring a significant stake in the company that manages the project and/or in the Parent Company, and/or the right to terminate the contract in the event of significant findings as to the suitability of these persons.

In addition, the Group's subsidiary, Intralot Capital Luxembourg S.A. (the Issuer) has issued a common bond loan in the principal amount of €500,000,000 maturing in 2024 (hereafter in this paragraph "Facility B"). Under the terms of the Facility B, in the event of a Change of Control, the holders of the bond loan are given the right to request the Issuer to redeem the bonds held by them, or part thereof, at 101% of their nominal value plus accrued interest up to the payment date. Within 30 days from the date of the Change of Control, the Issuer (or the Parent Company) is obliged to inform the investing public about the occurrence of the Change of Control. A Change of Control under Facility B is defined as (1) the direct or indirect sale, transfer or other action having a similar effect of all or substantially all of the assets of the Parent Company and its subsidiaries to any third party, (2) the dissolution and liquidation of the Parent Company, (3) any transaction that would result in any third party (i.e., a Non-Permitted Holder) acquiring more than 35% of the voting rights in the Parent Company without the Permitted Holders having a larger percentage of voting rights at the same time; and (4) the replacement of the majority of the members of the Board of Directors of INTRALOT S. A., within a period of two years, with members not approved by the Board of Directors, as constituted on the date of issuance of the above bond loan, or by one or more of the Permitted Holders.

In addition, the subsidiary of the INTRALOT Group, Intralot, Inc., (Issuer B) has issued a common bond loan in the aggregate principal amount of USD254.042.911 maturing in 2025 (Facility SSN & Extra Facility, jointly hereafter in this paragraph "Facility SSN"). Under the terms of the Facility SSN, in the event of a Change of Control, the holders of the bond loan are given the right to request the Issuer B to redeem the bonds held by them, or part thereof, at 101% of their nominal value plus accrued interest up to the payment date. Within 30 days from the date of the Change of Control, the Issuer (or INTRALOT S.A.) is required to inform the investing public of the occurrence of the Change of Control. A Change of Control under the Facility SSN is defined (I) with respect to INTRALOT S.A. as (1) the direct or indirect sale, transfer or other action having a similar effect of all or substantially all of the assets of the Company and its subsidiaries; (2) the dissolution and liquidation of INTRALOT S.A, (3) any transaction that would result in any third party (i.e. a Non-Permitted Holder) acquiring more than 33% of either the voting or property rights in the shares of the Parent Company; and (II) with respect to the Parent Company of the Issuer B, Intralot US Securities B.V. (1) the direct or indirect sale, transfer or other action having a similar effect of all or substantially all of the assets of the Company and its subsidiaries to any third

party other than the Permitted Holders; (2) the dissolution and liquidation of the Company, (3) any transaction that would result in any third party (i.e. a Non-Permitted Holder) acquiring more than 50% of either the voting or property rights in the shares of the Parent Company; and (4) the merger of the Parent Company, its subsidiary, Intralot US Holdings B.V., and the Issuer B with any other company of the Intralot Group.

**10. Any agreement between the Company and members of its BoD or its personnel providing for indemnification in case of non-well founded resignation or dismissal or termination of mandate/ employment due to a public offer.**

There are no agreements between the Company and members of its BoD or its personnel providing for indemnification in case of non-well founded resignation or dismissal or termination of mandate/ employment due to a public offer.

**CORPORATE GOVERNANCE STATEMENT**

**I. Reference to the Corporate Governance Code the Company is subject to and the location where this Code is available to the public.**

This Corporate Governance Statement constitutes special part of the Annual Report of the Board of Directors, according to the provisions of articles 152 and 153 of L 4548/2018.

The institutional framework governing the Company's operation and obligations is L. 4548/2018 on the reform of the law of sociétés anonymes and L. 4706/2020 on corporate governance. As a listed company in the Athens Stock Exchange, the Company has additional obligations in respect of the individual sections of governance, investors' and supervisory authorities' information, etc. The principal laws describing and imposing the additional obligations are L. 4706/2020 and the Hellenic Capital Market Commission decisions and circulars issued by delegated authority of the law (decisions no. 1A/980/18.09.2020, 1/891/30.09.2020 as amended and in force, 2/905/3.3.2021, circular 60/18.9.2020), 425/21.02.2022 document of the Hellenic Capital Market Commission with caveats, clarifications and recommendations, L. 3556/2007, L. 4374/2016, the ATHEX Exchange Rulebook, the provisions of article 44 of L. 4449/2017 (Audit Committee), as amended by article 74 of L. 4706/2020 and in force, in conjunction with the caveats, clarifications and recommendations of document No. 1149/17.05.2021 of the Hellenic Capital Market Commission, as well as decision no. 5/204/14.11.2000 of the BoD of the Hellenic Capital Market Commission, as in force. The Company took care for the timely adjustment of its corporate governance framework to the provisions of L. 4706/2020, as well as to the decisions of the Hellenic Capital Market Commission, that were issued by delegated authority of said law. The meeting of 30/06/2021 of the Board of Directors adopted the Hellenic Corporate Governance Code (June 2021 edition) of the Hellenic Corporate Governance Council (HCGC) (hereinafter referred to as the "Code"). The Code is available on the Company website <http://www.intralot.com> along with its English translation. During 2021, the Company complied with the provisions of the above Code, with the deviations stated below, while it intends to adopt appropriate policies and proposals to minimize existing deviations from the provisions of the Code.

**II Reference to corporate governance practices applied by the Company in addition to provisions of the law, and reference to the location where they are published.**



The Company does not apply any other practices in additional to provisions of the applicable legal framework related to corporate governance.

### III. Deviations from the Corporate Governance Code

Hellenic Corporate Governance Code	Explanation/Justification for the Deviation from the Specific Practices of the Hellenic Corporate Governance Code
<p>2.2.15 The company ensures that the diversity criteria concern, in addition to the members of the Board of Directors, senior and/or senior management with specific representation objectives by gender, as well as timetables for achieving them.</p>	<p>The Company has not adopted a specific diversity policy with regard to gender balance for the senior and C-level executives. However, the Company's Code of Conduct states that it operates under fair and lawful human resource management procedures without discrimination on the basis of age, race, gender, color, national origin, religion, health, political or ideological views, or other characteristics of employees protected by laws and regulations. The Company's objective is the fair and equitable treatment of all employees, including their improvement and development.</p>
<p>2.2.21 The Chair shall be elected by the independent non-executive members. In the event that the Chair is elected by the non-executive members, one of the independent non-executive members shall be appointed, either as vice-chair or as a senior independent member (Senior Independent Director)</p> <p>2.2.22. The independent non-executive Vice-Chair or Senior Independent Director shall, as appropriate, have the following responsibilities: To support the Chair, to act as a liaison between the Chair and the members of the Board of Directors, to coordinate the independent non-executive members and lead the evaluation of the Chair.</p>	<p>The Board of Directors has appointed a Chairman, who is an Executive Member of the Board, and a Non-Executive Vice Chairman, who is not an Independent-Non-Executive Member of the Board, but due to his long experience and involvement in the Company's business activities as a former CEO/General Manager of the Company for more than twenty years, he contributes to the adequate information of the Non-Executive Members ensuring their effective participation in the supervision and decision-making process.</p>

<p>2.3 Succession of the Board of Directors</p> <p>2.3.1. The company has a framework for filling positions and succession of the members of the Board of Directors, in order to identify the needs for filling positions or replacements and to ensure each time the smooth continuation of the management and the achievement of the company's purpose</p> <p>2.3.2. The company ensures the smooth succession of the members of the Board of Directors with their gradual replacement in order to avoid the lack of management.</p> <p>2.3.3. The succession framework shall in particular take into account the findings of the evaluation of the Board of Directors in order to achieve the necessary changes in composition or skills and to maximize the effectiveness and collective suitability of the Board of Directors.</p> <p>2.3.4. The company also has a succession plan for the Chief Executive. The preparation of an integrated succession plan for the Chief Executive shall be entrusted to the nomination committee, which in this case shall be responsible for:</p> <ul style="list-style-type: none"> <li>• Identifying the required quality characteristics that the Chief Executive should have,</li> <li>• The ongoing monitoring and identification of potential internal nominees,</li> <li>• Where appropriate, the search for potential external nominees,</li> <li>• and a dialogue with the Chief Executive on the evaluation of nominees for his / her position and other senior management positions.</li> </ul>	<p>The Suitability Policy describes the succession plan for the members of the Board of Directors involving the assistance of the Remuneration and Nomination Committee for the Election of Members of the Board of Directors with consideration to individual and collective suitability. The Company is in the process of formulating and adopting a succession plan for filling in the vacant positions of the Members of the Board of Directors and the Chief Executive Officer in compliance with this specific practice. Until then, in accordance with the Company's established practice, for the Executive members of the Board of Directors and the Chief Executive Officer (and/or his/her deputies), who are employed under an employment contract and are in charge of the management and the achievement of the Company's purpose, the Company's Human Resources department ensures that there are always candidates from the Company's existing employees to fill in the positions of the Executive members of the Board of Directors and/or the Chief Executive Officer (and/or his/her deputies). With regard to the succession, in particular, of Non-Executive and Independent members of the Board of Directors and the members of the Company's Committees (which are composed of Independent Non-Executive members), the Remuneration and Nomination Committee for the Election of Members of the Board of Directors ensures the identification, in accordance with the principles of the Company's Suitability Policy, of the potential suitable candidates for the Board of Directors, whenever the issue of replacing existing members of the Board of Directors arises in accordance with the suitability and independence requirements. To date, each succession of members of the Board of</p>
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	<p>Directors and/or the Chief Executive Officer has taken place smoothly ensuring the seamless operation of the management, and the efficiency and collective suitability of the Board of Directors.</p>
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<p>2.4.7. The Chair of the Board of Directors may be a member of the remuneration committee, but may not chair it if he is not independent. In the event that the Chair of the Board of Directors is a member of the remuneration committee, he cannot participate in the determination of his remuneration. A member of the committee to be appointed as its Chair should have served on the committee as a member for at least one year, unless the committee has not been established or operated in the previous year.</p>	<p>The Chairman of the Board of Directors is not a member of the Remuneration and Nomination Committee for the Election of Members of the Board of Directors. The Chairman of the Remuneration and Nomination Committee for the Election of Members of the Board of Directors that was formed by the Board of Directors of the Company on 30.06.2021 is an Independent Non-Executive member, elected for the first time as a member of the Board of Directors of the Company. Therefore, she has not served as a member of the Remuneration and Nomination Committee for the Election of Members of the Board of Directors for at least one year prior to her appointment as the Chairman. The same applied to all the Independent Non-Executive members of the Board of Directors at the date of their election (29.06.2021). As a result, based on the current composition of the Board of Directors, it is not feasible to comply with the above Special Practice. However, based on her resume, the Chairman of the Committee is competent and has proven knowledge and experience as well as organizational and managerial skills for the position she has been assigned to.</p>
<p>2.4.14 The contracts of the executive members of the Board of Directors provide that the Board of Directors may require the refund of all or part of the bonus awarded, due to breach of contractual terms or incorrect financial statements of previous years or generally based on incorrect financial data, used for the calculation of this bonus.</p>	<p>There is no such clause in the contracts of the Executive members of the Board of Directors. These contracts have been concluded on a date prior to the entry into force of the Hellenic Corporate Governance Code.</p>
<p>3.1.5 The chair shall work closely with the Chief Executive and the Corporate Secretary to prepare the Board of Directors and to fully inform its members.</p>	<p>The positions of Chairman and CEO coincide in the same person and there is no Company Secretary.</p>



<p>3.2. Corporate Secretary</p> <p>3.2.1. The Board of Directors is supported by a competent, qualified, and experienced Corporate Secretary to comply with internal procedures and policies, relevant laws, and regulations and to operate effectively and efficiently.</p> <p>3.2.2. The Corporate Secretary shall be responsible, in consultation with the Chair, for ensuring immediate, clear and complete information of the Board of Directors, the inclusion of new members, the organization of General Meetings, the facilitation of communication of shareholders with the Board of Directors and the facilitation of communication of the Board of Directors with senior management.</p>	<p>The Regulation for the Operation of the Board of Directors provides for a Company Secretary. The Board of Directors, however, is not supported by a specifically appointed Company Secretary, but follows an alternative practice whereby these duties are performed by the Company's in-house lawyers. This arrangement has served the Company for many years. The need of appointment of a specific person to this position shall be considered in the future.</p>
<p>3.3.3 The Board of Directors annually evaluates its effectiveness, the fulfillment of its tasks and its committees.</p> <p>3.3.4 The Board of Directors collectively, as well as the Chair, the Chief Executive and the other members of the Board of Directors are evaluated annually for the effective fulfillment of their duties. At least every three years this evaluation shall be facilitated by an external consultant.</p> <p>3.3.5 The evaluation process shall be chaired by the Chair in cooperation with the nomination committee. The Board of Directors also evaluates the performance of its Chair, a process which is chaired by the nomination committee.</p> <p>3.3.8 The nomination committee shall determine the evaluation parameters based on best practices and shall propose the following:</p> <ul style="list-style-type: none"> <li>• evaluation of the Board of Directors,</li> <li>• individual evaluations of the Chief Executive and the Chair,</li> </ul>	<p>After the completion of the first year of operation of the current Board of Directors, considering that it was elected in June 2021, the Company will review the effectiveness of the members of the Board and its committees in fulfilling their duties.</p>

- succession plan of the Chief Executive and the members of the Board of Directors,
- targeted composition of the Board of Directors in relation to the company's strategy and suitability policy.

3.3.9. The overall evaluation shall take into account the composition, diversity, and effective cooperation of the members of the Board of Directors for the fulfillment of their duties

3.3.10. The individual evaluation shall take into account the status of the member (executive, non-executive, independent), participation in committees, the undertaking of specific responsibilities / projects, the time devoted, the behavior and the use of knowledge and experience.

3.3.12. The Board of Directors, under the guidance of the nomination committee, shall ensure the annual evaluation of the performance of the Chief Executive. The results of the evaluation should be communicated to the Chief Executive and taken into account in determining his or her variable remuneration.

3.3.14 The chair of the committees of the Board of Directors are responsible for the organization of the evaluation of their committees.

3.3.15 The results of the evaluation of the Board of Directors shall be communicated and discussed by the Board of Directors and shall be taken into account in its work on the composition, the plan for the inclusion of new members, the development of programs and other relevant issues of the Board of Directors. Following the evaluation, the Board of Directors shall take measures to address the identified weaknesses.

3.3.16 The Board of Directors shall include in the Corporate Governance Statement a brief



description of its individual and collective evaluation process, of the committees, as well as a summary of any findings and corrective actions.	
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**IV. Description of the main attributes of the Company's and the companies included in the consolidated financial statements taken as a total, internal audit and risk management systems, in relation to the process of financial reports drafting.**

- The BoD maintains an effective internal audit system whose purpose is to safeguard the investments and assets of the Company and to identify and resolve major risks. The internal audit system is defined as the set of procedures implemented by the Board of Directors, the Management and the employees of the Company, and aims to ensure the effectiveness and efficiency of corporate operations, the accuracy of financial reporting and the compliance with applicable legislation and regulations.
- The Board of Directors monitor and regularly review the implementation of corporate strategy. At the same time, it should regularly review the main risks faced by the company and the effectiveness of the internal audit system regarding the management of said risks. The review should comprise all vital audits, including financial and operational audits, compliance testing and the monitoring of risk management systems. The Board of Directors, through the Audit Committee, also develop direct and regular contact with external and internal auditors in order to receive regular updates from the latter in relation to the proper operation of the control system.
- The Board of Directors must certify in writing that the annual and interim financial statements reflect objectively the financial position of the company and the companies included in the consolidated financial statements taken as a total. This certification should follow the corresponding certification by the Company auditors.
- The Board of Directors is responsible for the presentation of all significant business risks related to the operation of the company and the companies included in the consolidated financial statements taken as a total, providing explanations where it deems necessary, in the preparation of annual and interim financial statements. All published interim and annual financial statements include all necessary information and disclosures on the financial statements, in accordance with International Financial Reporting Standards, as adopted by the European Union, reviewed by the Audit Committee and approved in their entirety respectively by the Board of Directors. The preparation of internal reports to the Management and the reports required by L.4548/2018, the International Financial Reporting Standards and the supervisory authorities is done by the Financial Management, which has the appropriate and experienced executives for this purpose. The Management ensures that these executives are properly informed about the changes in the accounting and tax issues concerning the Company and the Group.
- The Internal Audit Service has been appointed in accordance with the requirements of the Greek legislation, has been sufficiently staffed and assesses the adequacy of internal controls. The Internal Audit Service is independent from other business units, and in the fulfillment of its duties, all documents, divisions and employees must be made available to it. The Internal Audit

Service reports to the Audit Committee of the Board of Directors. The Internal Audit Service operates in accordance with a program established by it and approved by the Audit Committee and the Board of Directors and submits reports on a three months basis before the publication of financial information.

### **Responsibilities**

The Head of Internal Audit has the responsibility to:

- Submit, at least annually, to the BoD Audit Committee a risk-based internal audit plan for review and approval.
- Communicate to Senior Management and the BoD Audit Committee the impact of resource limitations on the internal audit plan.
- Review and adjust the internal audit plan, as necessary, in response to changes in Intralot Group's business, risks, operations, systems and controls.
- Communicate to Senior Management and BoD Audit Committee any significant interim changes to the internal audit plan.
- Ensure each engagement of the internal audit plan is executed, including the establishment of objectives and scope, the assignment of appropriate and adequately supervised resources, the documentation of work programs and testing results, and the communication of engagement results with applicable conclusions and recommendations to appropriate parties.
- Draft Audit Reports embedding the findings, the risks and respective recommendations for improvement, along with the auditees' Management response, i.e. the mutually agreed corrective actions (Action Plan) with predetermined deadlines or equivalent measures and/or the acknowledgment of particular risks (Risk Acceptance), and the finalized audit conclusions, which are issued and distributed to the Senior Management. The approved remedial actions which address the findings identified in the Audit Reports must be completed by the auditees, within agreed deadlines. The Internal Audit Unit monitors and evaluates the proper implementation and completion of all the restorative measures required to mitigate the corresponding risks, through follow up audit procedures.
- Report periodically to Senior Management and the BoD Audit Committee any corrective actions not effectively implemented.
- Ensure the Internal Audit Unit collectively possesses or obtains the knowledge, skills, and other competencies needed to meet the requirements of the Internal Audit Unit Charter.
- Ensure trends and emerging issues that could impact Intralot Group are considered and communicated to Senior Management and the Audit Committee as appropriate.

Furthermore, the Internal Audit Unit:

- Monitors and evaluates of the implementation of the Company's Internal Regulation and the system of internal controls, particularly concerning the adequacy and accuracy of the financial and non-financial information, the risk management, the regulatory compliance and the Code of Corporate Governance adopted by the Company.
- Monitors the compliance with the Articles of Association and, in general, the legislation governing the Company, particularly the stock market and Société Anonyme companies' legislation.



- Provides assurance on the compliance with the commitments outlined in Company's press releases and business plans concerning the utilization of the funds raised from the regulated stock market. Moreover, the Head of Internal Audit:
  - Reports to the Board of Directors of cases of conflict of interest between the members of the Board of Directors or the management executives and the Company, detected during the performance of his/ her duties.
  - Communicates to the BoD Audit Committee of the audit results at least quarterly.
  - Discloses of any information requested in writing by the Supervisory Authorities, collaborates with them and facilitates their monitoring, audit and supervising activities in every possible way.
  - Is also present at the General Assembly Meetings of the Shareholders.
- The members of the Board of Directors, through the Audit Committee and the Internal Audit Service, are ultimately responsible for ensuring the adequacy and effectiveness of the internal control system and the monitoring and supervision of its effective implementation. The Management of the Company is responsible for the development of a strategy for the Board of Directors as regards a secure internal control system.
- The Internal Audit Service adopting a systematic and professional approach to the improvement of the effectiveness of risk management procedures, internal audit systems and corporate governance.

Specifically,

- Risks be identified and managed effectively.
- Resources (assets) of the Company be protected and used efficiently.
- Financial and management reporting be reliable, accurate and current.
- Employees comply with the policies, procedures and standards of the Company.
- Company conformance with the regulatory framework governing its operation.
- The Internal Audit Service, throughout the audit process, presents proposals aiming to continuously improve internal control systems in order to achieve high productivity and efficiency.

#### **V. Information demanded by the article 10 par. 1 of Directive 2004/25/EK of the European Parliament and Council.**

The information demanded by article 10 par. 1 of Directive 2004/25/EK of the European Parliament and Council is included, according to article 4 par. 7 of L. 3556/2007, in the Explanatory Report which comprises part of the Annual Report of the Board of Directors.

#### **VI. Information regarding the function of the General Meeting of shareholders and its main authorities, description of shareholders' rights and of the manner they are exercised.**

The General Meeting of the Company's shareholders is the supreme body of the Company and it is entitled to decide on every Company issue as per L. 4548/2018. The decisions of the General Meeting shall also be binding on absent or dissenting shareholders.

The General Meeting of the Company's Shareholders is the sole competent body to decide on the following issues:

- a) Modifications of the Articles of Association; Modifications include increases, regular or

- extraordinary, and decreases of the share capital;
- b) Election of members of the Board of Directors, and auditors;
  - c) The approval of the overall management as per article 108 of L.4548/2018 and the discharge of auditors;
  - d) Approval of the annual and any consolidated financial statements;
  - e) Distribution of annual profits;
  - f) The approval of the provision of remuneration or advance payments as per article 109 of L. 4548/2018;
  - g) The approval of the overall remuneration policy as per article 110 of L. 4548/2018 and of the remuneration report as per article 112 of L. 4548/2018;
  - h) The merger, splitting, transformation, revival, extension of the duration or the dissolution of the Company; and
  - i) Appointment of liquidators.

The General Meeting shall meet at the registered head office of the company or in the district of another municipality within the district of the Company's registered head office or of another municipality adjacent to the Company's registered head office or in the district of the municipality where the registered head office of the Athens Stock Exchange is located. The General Meeting can meet anywhere when shareholders with voting rights representing the entire capital are present or represented in the meeting and no shareholder objects to the convening of the meeting and to any decision-making.

With the exception of repetitive meetings, the invitation to the General Meeting must be published at least twenty (20) full days before the day of the meeting.

The invitation to the General Meeting of the Company's Shareholders should clearly specify the date and time of the meeting, the premises - exact address where the meeting shall take place as well as the agenda items. It should also specify the shareholders being entitled to participate in the meeting and any instructions as regards the way in which those shareholders shall participate in the meeting and shall exercise their rights, in person or through a representative or from a distance. Furthermore, the invitation to the General Meeting should specify everything provided for in paragraph 4 of article 121 of L.4548/2018 and be published in accordance with the provisions of article 122 of L. 4548/2018. No other invitation to the repetitive meeting is required, if the initial invitation specifies the place and date of the repetitive meeting, provided that the repetitive meeting shall be convened at least five (5) full days after the meeting which was adjourned.

#### **Right to attend General Assemblies**

Every shareholder is entitled to participate and vote in the General Meeting of the Company's Shareholders either in person or through a representative, in accordance with the provisions of articles 124 and 128 of L. 4548/2018.

Shareholders who have not complied with the deadline of paragraph 4, article 128 of L. 4548/2018 participate in the General Meeting unless the General Meeting refuses their participation for serious cause justifying such refusal.

#### **Quorum Majority**

A quorum is present and the General Meeting validly convenes on the items of the agenda, when shareholders representing one fifth (1/5) of the paid up capital are present in person or by proxy. If



such quorum fails to be present in the first meeting, the General Meeting shall be held again within twenty (20) days of the date of postponement, by invitation with notice of at least ten (10) days. The repetitive General Meeting is considered to have reached a quorum and validly meets in order to discuss the initial agenda items regardless of the part of the paid-up capital being represented therein. No other invitation to the repetitive meeting is required, if the initial invitation specifies the place and date of the repetitive meetings, provided that the repetitive meeting shall be convened at least five (5) full days after the meeting which was adjourned.

The decisions of the General Meeting of the Company's Shareholders are made by absolute majority of votes being represented in the meeting.

Exceptionally, the General Meeting is considered to have reached a quorum and validly meets in order to discuss the agenda items when shareholders representing at least one half (1/2) of the paid-up capital are present or represented therein, and in order to make decisions related to:

- a) change of the Company's nationality;
- b) alteration of the Company's object of activities
- c) increase of the shareholders' obligations;
- d) regular capital increase, unless required by law or made through capitalization of reserves;
- e) the decrease of the capital unless it is made as per paragraph 5 of article 21 of L. 4548/2018 or paragraph 6 of article 49 of L. 4548/2018;
- f) alteration of the manner of distribution of profits,
- h) the merger, splitting, transformation, revival, extension of the duration or the dissolution of the Company;
- i) the provision or renewal of power to the Board of Directors for a capital increase in accordance with paragraph 2 of article 5 hereof; and
- j) any other case for which the law provides that the General Meeting decides with increased quorum and majority.

In the case of the preceding paragraph, if the quorum required by the last subparagraph is not reached, the General Meeting is invited and meets again in accordance with paragraph 2 of article 13 hereof and is in quorum and meets validly on the issues of the original agenda when shareholders representing at least one-fifth (1/5) of the paid up capital are present or represented therein. No other invitation to the repetitive meeting is required, if the initial invitation specifies the place and date of the repetitive meetings, provided that the repetitive meeting shall be convened at least five (5) full days after the meeting which was adjourned.

#### **Rights of the Shareholders**

Shareholders have the right to attend General Meetings in person or by proxy, shareholder or not. Each share entitles the owner to one vote.

#### **Priority right**

In case of increase of the Company's share capital, when that increase is not happening by contribution in kind or by issue of convertible bonds, priority rights for the entire new capital or the bond issue, are granted to the shareholders at the date of issue, proportionate to their holding in the existing share capital.

According to article 27 of L. 4548/2018, priority right of article 26 of L. 4548/2018 may be limited or abolished, by decision of the General Meeting of Shareholders made by an increased quorum and majority, pursuant to the provisions of articles 130 par. 3 and 4 and par. 2 of article 132 of L. 4548/2018.

#### **Minority rights**

Upon request of shareholders representing one twentieth (1/20) of the paid up capital, the Company's Board of Directors is obliged to convene an Extraordinary General Meeting of the Company's Shareholders, by setting the date of such meeting not later than forty-five (45) days from the date when the relevant request was served upon the President of the Board of Directors. The request should specify accurately the agenda items. In the event that the General Meeting of the Company's Shareholders shall not be convened within twenty (20) days from the service of the relevant request, then it should be convened by the shareholders who submitted the above request at the expense of the Company, by virtue of a judgment of the Single-Member First Instance Court in the district where the Company's registered head office is located and such judgment should be issued according to the proceedings of interim and precautionary measures and it should specify the place and time of the General Meeting and the agenda items.

Upon request of shareholders representing one twentieth (1/20) of the paid up capital, the Company's Board of Directors is obliged to add to the existing agenda items of the General Meeting of the Company's Shareholders which has already been convened any other items, provided that the relevant request has been submitted to the Company's Board of Directors at least fifteen (15) days prior to the General Meeting. Those items which shall be added should be published or should be communicated by the Company's Board of Directors, according to the provisions of article 122 of L. 4548/2018, at least seven (7) days prior to the General Meeting. The request to add those additional items to the existing agenda items should also specify the respective reasons or it should contain a draft decision which should be approved by the General Meeting of the Company's Shareholders, while the revised agenda items should be published according to everything provided for as regards the publication of the previous agenda items, thirteen (13) days prior to the date of the General Meeting of the Company's Shareholders and it should be available for the shareholders at the website of the Company together with the reasons or the draft decision which has been submitted by the shareholders in accordance with the provisions of article 123 of L.4548/2018. Should such issues be not published, the applicant shareholders are entitled to request the adjournment of the General Meeting, under paragraph 5 of article 141 of L.4548/2018, and to proceed themselves to the publication, as per the specifications of the second item of the present paragraph, at the expenses of the company.

Shareholders representing one twentieth (1/20) of the paid-up capital are entitled to submit draft decisions on items included in the initial or any revised agenda of the General Meeting. The relevant request must be received by the Company's Board of Directors at least seven (7) days before the date of the General Meeting and the draft decisions must be made available to the Company's shareholders in accordance with the provisions of article 123, par. 3 of L. 4548/2018 at least six (6) days before the date of the General Meeting.

The Board of Directors is under no obligation to record matters in the agenda, publish or notify them along with justification and drafts of resolutions submitted by the shareholders, should their content evidently opposes to the law or the public morality.



Upon request of the shareholder(s) representing one twentieth (1/20) of the paid up capital, the President of the General Meeting is obliged to postpone just once any decision-making by the Ordinary or Extraordinary General Meeting, by setting as date for the continuation of the meeting as regards any decision-making, the date designated in the Shareholders' request, and in any case, a date not later than twenty (20) days from the date of postponement. The upon adjournment general meeting is a continuation of the previous meeting and no reiteration of the shareholders' invitation publication formalities is required; moreover, to this meeting may participate even new shareholders, by abiding by the provisions of paragraph 6 of article 124 of L. 4548/2018.

Upon request of any shareholder which should be submitted to the Company at least five (5) full days prior to the General Meeting, the Company's Board of Directors is obliged to provide to the General Meeting specific information requested with regard to the Company's affairs, to the extent that such information is relevant to the agenda items. The Board of Directors is not obliged to provide the information requested, when such information is already available at the Company's website, and particularly in the form of questions - answers. Furthermore, upon request of shareholders representing one twentieth (1/20) of the paid up capital, the Company's Board of Directors is obliged to notify the Ordinary General Meeting of the Company's Shareholders of the amounts paid by the Company due to any reason whatsoever during the last two years to the members of the Board of Directors or the Company's managers as well as of any remuneration paid to those persons as a result of any contract whatsoever concluded between them and the Company. In all the above-mentioned cases, the Board of Directors may refuse to provide the information requested for good reasons, while those reasons should be mentioned in the minutes of the meeting. In the cases set out in this paragraph, the Board of Directors may provide a single answer to any shareholders' requests relating to the same matter.

Upon request of shareholders representing one tenth (1/10) of the paid up capital, which should be submitted to the Company within the deadline specified in the previous paragraph, the Company's Board of Directors is obliged to provide to the General Meeting of the Company's Shareholders any information on the Company's course of business operations and on the Company's assets. The Board of Directors may refuse to provide the information requested for good reasons, while those reasons should be mentioned in the minutes of the meeting.

Upon request by shareholders representing 1/20 of the paid-up capital, the voting on an item or items on the agenda shall be made by an open vote.

Shareholders of the Company representing at least one twentieth (1/20) of the paid-up capital may request the extraordinary audit of the Company by the court which shall hear the case under the *ex parte* proceedings.

Shareholders of the Company representing one fifth (1/5) of the paid up capital are entitled to request from the court the audit of the Company, where from the course of the Company's business operations as a whole, and based on specific indications, it is believed that the management of the Company's corporate affairs is not exercised according to the criteria of sound and prudent management.

#### **Right to Dividends**

According to the Articles of Association, the Company must distribute annually minimum dividend equal to the minimum annual dividend projected by law (Article 161 of L. 4548/2018), which amounts to at least 35% of the company's net profit, following the deduction necessary for the establishment of statutory reserves.

The place and method of payment is announced in notices published in the press, the Daily Official List and the website of the ATHEX and the Company website.

Dividends are paid within two (2) months of the date of the Annual General Meeting of Shareholders which approves the Company's Financial Statements.

Dividends which remain unclaimed for a period of five years of the date they became payable, are forfeited to the State.

#### **Rights in product of liquidation**

On conclusion of the liquidation, the liquidators return the contributions of the Shareholders in accordance with the Articles of Association and distribute the balance of the Company's assets' liquidation to the Shareholders in proportion to their share in the paid-up capital of the Company.

#### **VII. Composition and manner of operation of the Board of Directors and other administrative, management or supervisory bodies or committees of the Company.**

The purpose of the Board is the continuous enhancement of the long-term economic value of the Company and the safeguarding of general corporate interests. The Board of Directors is responsible for deciding on all matters pertaining to the management of the Company, administering company assets and the general pursuit of the company's purposes without any limitation (apart from matters pertaining exclusively to the General Meeting) and representing the Company both judicially and extra-judicially.

#### **Composition**

In accordance with Article 18 of its Articles of Association, the Company is governed by a Board of Directors, consisting of seven (7) to eleven (11) members, whose responsibilities are described in the Law and the Articles of Association of the Company. The Board of Directors, as a whole, has sufficient knowledge and experience in the activities of the Company, so as to be able to exercise supervision over all of the Company's operations.

The members of the Board of Directors are elected by the General Meeting of the Company's Shareholders and can be executive, non-executive and independent non-executive members in accordance with the provisions of Law 4706/2020.

The Board of Directors convenes following a meetings schedule, adopts an annual action plan, takes decisions, exercises control over all of the Company's activities and supervises the Company's executives who have been assigned with relevant executive responsibilities, either in accordance with the organizational chart or directly by the Board of Directors itself on a continuous basis.

The members of the Board of Directors are always eligible for re-election and can be recalled at any time by the General Meeting, regardless of the expiry of their term of office.

The Company's current Board of Directors consists of nine (9) members and was elected by the Ordinary General Meeting of shareholders of 29 June 2021, for a six-year term, has the following composition. and construction of the Board of Directors consisting of:

1. Socratis P. Kokkalis, Chairman and CEO, executive member,
2. Constantinos G. Antonopoulos, Vice Chairman, non-executive member,
3. Chrisostomos D. Sfatos, Deputy CEO, executive member,
4. Nikolaos I. Nikolakopoulos, Deputy CEO, executive member,
5. Fotios L. Konstantellos, Deputy CEO, executive member,



6. Alexandros- Stergios, N. Manos, Director, non-executive member,
7. Ioannis K. Tsoumas Director, independent-non-executive member,
8. Adamantini K. Lazari, independent-non-executive member, and
9. Dionysia D. Xirokosta, independent-non-executive member,

It is noted that the criteria of independence of the article 9, of the Law 4706 are met by all the non-executive members of the Board of Directors that have been appointed by the General Meeting of the Shareholders of the Company

Information on the number of shares held by each member of the Board of Directors and each chief executive of the Company dated 31.12.21

NAME	CAPACITY	NUMBER OF SHARES	%
SOCRATIS KOKKALIS*	CHAIRMAN OF THE BOARD OF DIRECTORS & CHIEF EXECUTIVE OFFICER - EXECUTIVE MEMBER	31.800.000	20,89%
CONSTANTINOS ANTONOPOULOS	VICE PRESIDENT OF THE BOARD OF DIRECTORS - NON-EXECUTIVE MEMBER	4.299.300	2,82%
NIKOLAOS NIKOLAKOPOULOS	DEPUTY CHIEF EXECUTIVE OFFICER - EXECUTIVE MEMBER	5.000	0,00%
CHRYSOSTOMOS SFATOS	DEPUTY CHIEF EXECUTIVE OFFICER - EXECUTIVE MEMBER	0	
FOTIOS KONSTANTELLOS	DEPUTY CHIEF EXECUTIVE OFFICER - EXECUTIVE MEMBER	0	
ALEXANDROS STERGIOS MANOS	MEMBER OF THE BOARD - NON-EXECUTIVE MEMBER	0	
IOANNIS TSOUMAS	MEMBER OF THE BOARD - INDEPENDENT NON-EXECUTIVE MEMBER	0	
ADAMANTINI LAZARI	MEMBER OF THE BOARD - INDEPENDENT NON-EXECUTIVE MEMBER	0	
DIONISIA XIROKOSTA	MEMBER OF THE BOARD - INDEPENDENT NON-EXECUTIVE MEMBER	0	
ANASTASIOS TSOUFIS**	MEMBER OF THE BOARD - INDEPENDENT NON-EXECUTIVE MEMBER	30.000	0,02%
IOANNIS TSOUKARIDIS***	MEMBER OF THE BOARD - INDEPENDENT NON-EXECUTIVE MEMBER	0	

\*Mr. Socratis Kokkalis owned indirect 20.885% of the corporate share capital as of 31/12/2021, through ALPHACHOICE SERVICES LTD, a company 100% controlled by the company "K-SYSTEMS", 100% controlled by Mr. Socratis P. Kokkalis.

\*\* Mr Anastasios Tsoufis was member of the BoD until 28.06.21

\*\*\*Mr Ioannis Tsoukaridis was member of the BoD until 28.06.21

#### TOP MANAGEMENT

NAME	CAPACITY	NUMBER OF SHARES	%
ANDREAS CHRYSOS	GROUP CHIEF FINANCIAL OFFICER	0	
DIMITRIOS KREMMYDAS	GROUP CHIEF LEGAL & COMPLIANCE OFFICER	40.000	0,026%

#### BoD members' participations in other companies

Except where participating in companies that are parties related to the Company, per the meaning of Annex A of L. 4308/2014, the Company's BoD members, are not members of another legal entity' governing, management or supervisory body, with the following exceptions:

NAME	CAPACITY	PARTICIPATION IN ANOTHER COPMANY
SOCRATIS KOKKALIS	CHAIRMAN OF THE BOARD OF DIRECTORS & CHIEF EXECUTIVE OFFICER - EXECUTIVE MEMBER	INTRACOM HOLDINGS CHAIRMAN OF THE

		<p>BOARD, EXECUTIVE MEMBER</p> <p>INTRAKAT S.A TECHNICAL AND ENERGY PROJECTS CHAIRMAN OF THE BOARD, NON-EXECUTIVE MEMBER</p> <p>K-SYSTEMS CHAIRMAN OF THE BOARD &amp; CEO</p> <p>INTRACOM TECHNOLOGIES S.a.r.l. DIRECTOR</p> <p>INTRACOM GROUP USA, INC CHAIRMAN OF THE BOARD</p> <p>KOKKALIS FOUNDATION CHAIRMAN OF THE BOARD</p>
CONSTANTINOS ANTONOPOULOS	VICE PRESIDENT OF THE BOARD OF DIRECTORS - NON-EXECUTIVE MEMBER	<p>INSPIRING EARTH A.E CHAIRMAN &amp; CEO</p> <p>NETLINK MAE CEO</p> <p>NETLINK TECHNOLOGIES M.A.E PRESIDENT &amp; CEO</p> <p>CYBERFLIP S.A. CEO</p> <p>DIGITAL PLANET A.E MEMBER OF THE BOD</p> <p>SITIA OLIVE OIL SA MEMBER OF THE BOD</p> <p>GREEK ASIA BUSINESS COUNCIL CHAIRMAN OF THE BOARD</p> <p>GREEK-LATIN BUSINESS COUNCIL CHAIRMAN OF THE BOARD</p> <p>CULTURAL ASSOCIATION OLENI CHAIRMAN OF THE BOARD</p>
CHRYSOSTOMOS SFATOS	DEPUTY CHIEF EXECUTIVE OFFICER - EXECUTIVE MEMBER	-
NIKOLAOS NIKOLAKOPOULOS	DEPUTY CHIEF EXECUTIVE OFFICER - EXECUTIVE MEMBER	-
FOTIOS KONSTANTELLOS	DEPUTY CHIEF EXECUTIVE OFFICER - EXECUTIVE MEMBER	-
ALEXANDROS MANOS STERGIOS	MEMBER OF THE BOARD – NON EXECUTIVE MEMBER	NETCOMPANY INTRASOFT SA CEO -



		<p>NETCOMPANY - INTRASOFT USA INC. PRESIDENT &amp; CEO</p> <p>INTRASOFT JORDAN limited liability company MEMBER OF THE BOD</p> <p>INTRASOFT MIDDLE EAST FZC (UAE) MEMBER OF THE BOD</p> <p>NETCOMPANY - INTRASOFT EAST AFRICA LIMITED MEMBER OF THE BOD</p> <p>WEMETRIX S.A. MEMBER OF THE BOD</p> <p>INTRASOFT INTERNATIONAL DOHA LLC PRESIDENT</p> <p>INTRASOFT INTERNATIONAL ZAMBIA LIMITED DIRECTOR</p> <p>ECONAIS INC. Information MEMBER OF THE BOD</p> <p>MYRMEX INC. MEMBER OF THE BOD</p> <p>INTRΑΣΟΦΤ ΑΝΩΝΥΜΗ ΕΤΑΙΡΕΙΑ - ΠΛΗΡΟΦΟΡΙΚΗΣ - INTRΑΣΟΦΤ Α.Ε. CEO</p> <p>INTRASOFT INFORMATION TECHNOLOGY UK LIMITED CEO</p> <p>INCELLIGENT Co- Manager</p>
IOANNIS TSOUMAS	MEMBER OF THE BOARD – INDEPENDENT NON-EXECUTIVE MEMBER	<p>RETIRED ECONOMIST</p> <p>INTRACOM HOLDINGS - INDEPENDENT NON- EXECUTIVE MEMBER</p> <p>INTRAKAT S.A TECHNICAL AND ENERGY PROJECTS INDEPENDENT NON- EXECUTIVE MEMBER</p>
ADAMANTINI LAZARI	MEMBER OF THE BOARD – INDEPENDENT NON-EXECUTIVE MEMBER	<p>Intracom Holdings: Independent, non- executive board member</p> <p>Domius Capital Advisors LLP: CONSULTANT TO THE BOARD</p> <p>Nea Georgia - Nea Genia AMKE: Founding</p>

		<p>member, Member of the General Assembly, non-executive member of the Board</p> <p>Chairman of the Investment Committee of ETAO (Professional Fund of Economists)</p>
DIONISIA XIROKOSTA	MEMBER OF THE BOARD – INDEPENDENT NON EXECUTIVE MEMBER	<p>LAWYER HELLENIC SUPERMARKETS SKLAVENITIS SA Corporate Affairs Consultant INTRAKAT S.A TECHNICAL AND ENERGY PROJECTS INDEPENDENT NON- EXECUTIVE MEMBER</p>

### CVs

#### **SOKRATIS P. KOKKALIS**

Visionary founder of INTRALOT and majority shareholder of the INTRACOM Group.

He launched the first advanced technology hub in Greece in 1977. A leading member of the Greek business community, he is an active sponsor of leading educational, cultural and athletic initiatives in SE Europe. With degrees in Physics and Electronics, he became a John Harvard Fellow in 1997 after establishing the Kokkalis Program at Harvard University's Kennedy School of Government. In 1998 he founded the non-profit Kokkalis Foundation, a public benefit institution focusing on educational and regional development. A fluent speaker of English, German and Russian, he also speaks Romanian, Italian, Bulgarian and conversational Serbian and French. For many years he was the president and major shareholder of Olympiacos FC, Greece's leading football club.

#### **CONSTANTINOS G. ANTONOPOULOS**

Founding member and shareholder of INTRALOT, which he led as CEO for more than twenty years (1992-2013). He received numerous distinctions, including Manager of the Year 2013 and was inducted in the Lottery Industry Hall of Fame in 2007. With degrees in Electrical Engineering and Systems Reliability, he has held senior positions in both the public and private sectors. He currently participates in a number of bilateral chambers and associations and is a member of the General Council of the Hellenic Federation of Enterprises (SEV) and the Hellenic Entrepreneurs Association.

#### **CHRYSOSTOMOS D. SFATOS**

Chrysostomos Sfatos main areas of expertise are in Strategy, Communication, International Relations, and Corporate Affairs. He was appointed Deputy CEO of INTRALOT in January 2019. Prior to that, he served as Group Director of Corporate Affairs at INTRALOT, Chief Communications Officer at INTRACOM Holdings, Executive Director of the Kokkalis Foundation and Member of the BoD of Athens Information Technology Center. He holds a Chemistry PhD from Harvard University and a Bachelor's degree from the University of Athens.

#### **NIKOLAOS I. NIKOLAKOPOULOS**

As Group Deputy CEO, Nikos Nikolakopoulos is supervising the Commercial and Operations divisions. Prior to his current appointment, he served as Group Chief Commercial Officer, Group Chief



Operating Officer, Group President Latin America, Western Europe & Africa, and Managing Director of INTRALOT Latin America.

Before joining INTRALOT in 2007 as Group Strategy Director, he held leading positions in multinational IT companies, including the INTRACOM Group, Microsoft, SingularLogic, and Bull. He holds a Bachelor's degree in Information Technology from the Athens University of Economics and Business and an MBA from La Verne University.

#### **FOTIS L. KONSTANTELLOS**

As Group Deputy CEO, Fotis Konstantellos is supervising the Group strategy in Technology and delivery of INTRALOT solutions and services to our jurisdictions worldwide. Prior to this role, he served as Group Chief Technology Officer and he has led INTRALOT's Lotteries, Product Transformation, Customer Experience, and Digital Gaming divisions. Before joining INTRALOT during the 25 years of his professional career he served as Chief Commercial Officer of Hellas Online, a telecom provider and in various positions including technical, operations, project management and commercial development at the telecoms operators Vodafone and Wind. He holds a Bachelor's degree in Electrical Engineering from the Swinburne University of Technology, Melbourne Australia.

#### **ALEXANDROS STERGIOS MANOS**

Mr. Alexandros Manos is a seasoned executive with over 18 years' experience leading companies in developing, marketing and selling internationally cutting edge technologies.

He holds a B.Sc. in Electrical Engineering and a BA in Business Economics from Brown University, and an MSc in Electrical Engineering & Computer Science from the Massachusetts Institute of Technology.

Since January 2015, he is a member of the Board of Directors & holds the Chief Executive Officer position of INTRASOFT International, a Luxembourg based leading European IT Solutions and Services Group of Companies.

Previously held positions include:

- Board Member & CEO of Intracom Telecom, an international telecommunication systems vendor
- CEO of Conklin Corporation in Atlanta, Georgia, a company offering roadband solutions and IPTV to the US market.

He is a member of a several scientific, engineering and economics societies and a young global leader of WEF.

#### **IOANNIS K. TSOUMAS**

Mr. Ioannis Tsoumas holds a bachelor's degree in Business Administration from the Athens University of Economics and Business. He has over 35 years of experience in the field of finance, the full range of accounting functions, and tax legislation. During his career, he has received several distinctions for his competencies and achievements, and he attended numerous professional seminars on Accounting, Auditing and Taxation acquiring in-depth knowledge and expertise. Prior to his role as a Non-Executive Member of the company's BOD, he held senior management positions in Accounting and Finance in several companies, among them Grundig of the Hatzimichalis Group (1980 – 1987) and Intracom Group (1987 – 2016), until his retirement in October 2016.

#### **ADAMANTINI LAZARI**

Mrs. Adamantini Lazari is an Independent Non-Executive Member of the Company's BoD since 2021. Mrs. Lazari holds a Bachelor in Economics from the Economic University of Athens, a Master of Science in

Industrial Relations and Personnel Management from the LSE and a European Master in Multimedia and Audiovisual Business Administration from a European interuniversity post-graduate program. Currently, she is Senior Advisor to the Board of Domius Capital Advisors LLP (a London-based, FCA regulated, Corporate Finance Advisory Boutique focusing on the provision of Strategic Advice, M&A execution and Private Capital raising for Funds and corporates), as well as member of the Investment Committee of Economists Professional Fund. She has long-term experience in both the private and public sector. She also has knowledge of the international political and economic environment and proven experience in multinational/multicultural negotiations. In the private sector she has served in senior managerial positions mainly in the financial sector, among others, Deputy Governor/Executive Vice Chairwoman of the Board of Directors, Agricultural Bank of Greece - Senior Advisor to the management, Emporiki/Commercial Bank of Greece. She has also participated as a member of BoDs in numerous companies and organizations i.a. Athex Exchange Group, Selonda group/ fisheries, Perseas/ fish feed, Hellenic Sugar Industry SA. In the public sector she has served as senior advisor mainly on issues of public policy preparation and implementation. She has also participated in inter-ministerial committees on important economic and social issues.

#### **DIONYSIA XIROKOSTA**

Mrs. Dionysia Xirokosta is an Independent Non-Executive Member of the Company's BoD since 2021. Dionysia Xirokosta is a lawyer who has worked as a scientific associate of the Hellenic Competition Commission from 2001. She was appointed Head of the Legal Services Department in 2007. In 2009 she was appointed Director of the Legal Services Department. In 2010 she became the Director General of the Hellenic Competition Commission and acted for two full terms. She then moved to the retail sector and was the Human Resources Director at "HELLENIC HYPERMARKETS SKLAVENITIS S.A.". Currently she practices law and is a Consultant of Corporate Affairs at "HELLENIC SUPERMARKETS SKLAVENITIS S.A.".

She has graduated from Athens Law School and holds an LL.M. degree in European Law from University of Essex Law School, specialized in European Competition Law. The aforementioned CVs reflect the knowledge, skills and experience required by the BOD to exercise its responsibilities, in accordance with the suitability policy and the business model strategy of the Company.

#### **TOP MANAGEMENT**

##### **Andreas Chrysos**

Group Chief Financial Officer

Andreas Chrysos is INTRALOT's Chief Financial Officer since 2019 having served previously as Group's Budgeting and Controlling Director.

Prior to INTRALOT, in his 15 year professional experience he held senior management positions in major telecom companies including Vodafone and Hellas Online. He holds a Bachelor's degree in Economics from the National and Kapodistrian University of Athens as well as an MSc in International Business and Finance from the University of Reading.

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##### **DIMITRIOS KREMMYDAS**

Mr. Dimitrios Kremmydas holds a degree in Law of the Athens University. He is a lawyer since 1994, member of the Athens Bar Association and he cooperates as in-house lawyer with Intralot's group since



2001; he holds the position of the Group Chief Legal & Compliance Counsel. He serves in many subsidiaries' board of directors. He has handled complex commercial arrangements, mergers, acquisitions, financial restructurings, tender procedures, competition and compliance matters and several corporate cases in Greece and abroad.

The CVs of all members of the Board of Directors and the Top Management are available on the Company's website ( <http://www.intralot.com> ).

### Board of Director Meetings

The Board of Directors may validly convene, in addition to the company headquarters, elsewhere in Greece or abroad. The Board of Directors may also convene via teleconference; in such case, the invitation to the Board members includes information relevant to the teleconference.

The Board of Directors shall convene with the frequency required to ensure the effective performance of its duties and at least once per month.

The Chairman will preside over meetings of the Board of Directors and in the case of being absent, the Vice-Chairman will take the chair.

The Board of Directors decides with a majority of the members either physically present and/or represented by proxy except in case of Article 5 Paragraph 2 of the Company's Articles of Association. The discussions and the resolutions of the Board are recorded in minutes. The minutes of each session must be distributed and approved at the subsequent Board meeting. Copies and extracts of the Minutes are ratified by the President of the Board of Directors or the Managing Director or by any other councilor.

### BOARD OF DIRECTORS MEETINGS DURING 1.1.21-31.12.21

NAME	CAPACITY	DURATION	NUMBER OF MEETINGS
SOCRATIS KOKKALIS	CHAIRMAN OF THE BOARD OF DIRECTORS & CHIEF EXECUTIVE OFFICER - EXECUTIVE MEMBER	29.06.21 - 28.06.27	38
CONSTANTINOS ANTONOPOULOS	VICE PRESIDENT OF THE BOARD OF DIRECTORS - NON-EXECUTIVE MEMBER	29.06.21 - 28.06.27	38
NIKOLAOS NIKOLAKOPOULOS	DEPUTY CHIEF EXECUTIVE OFFICER - EXECUTIVE MEMBER	29.06.21 - 28.06.27	38
CHRYSOSTOMOS SFATOS	DEPUTY CHIEF EXECUTIVE OFFICER - EXECUTIVE MEMBER	29.06.21 - 28.06.27	38
FOTIOS KONSTANTELLOS	DEPUTY CHIEF EXECUTIVE OFFICER - EXECUTIVE MEMBER	29.06.21 - 28.06.27	37
ALEXANDROS STERGIOS MANOS	MEMBER OF THE BOARD - NON EXECUTIVE MEMBER	29.06.21 - 28.06.27	38
IOANNIS TSOUMAS	MEMBER OF THE BOARD - INDEPENDENT NON EXECUTIVE MEMBER	29.06.21 - 28.06.27	38
ADAMANTINI LAZARI	MEMBER OF THE BOARD - INDEPENDENT NON EXECUTIVE MEMBER	29.06.21 - 28.06.27	13
DIONISIA XIROKOSTA	MEMBER OF THE BOARD - INDEPENDENT NON EXECUTIVE MEMBER	29.06.21 - 28.06.27	13
IOANNIS TSOUKARIDIS	MEMBER OF THE BOARD - INDEPENDENT NON EXECUTIVE MEMBER	10.04.14 - 28.06.21	25
ANASTASIOS TSOUFIS	MEMBER OF THE BOARD - INDEPENDENT NON EXECUTIVE MEMBER	12.07.04 - 28.06.21	25

During 2021 the Non-Executive and Independent non - executive Members ( C. ANTONOPOYLOS, A-S MANOS, I. TSOYMAS, A. LAZARI & D.XIROKOSTA) met one time without the presence of the Executive -Members and discuss the performance of the latter.

### Operation and Responsibilities of the Board of Directors

The Board of Directors is the supreme executive body of the Company which, by exercising its powers, protects the Company's corporate interests and ensures the Company's compliance with the provisions of the applicable legislation and its Articles of Association.

The members of the Board of Directors and every third person to whom powers have been delegated by it, in accordance with Article 87 of L.4548/2018, shall, in the exercise of their duties and responsibilities, comply with the law, the Articles of Association and the lawful decisions of the General Meeting. They must manage the corporate affairs in order to promote the corporate interest, supervise the execution of the decisions of the Board of Directors and the General Meeting and inform the other members of the Board of Directors of the corporate affairs.

Therefore, the Board of Directors of the Company is responsible for:

- The management, representation, as well as administration of the Company's assets,
- Taking decisions, without any limitation, on all matters, in general, concerning the Company within the scope of the corporate purpose, with the exception of those which, according to the law or the Company's Articles of Association, fall within the exclusive authority of the General Meeting,
- Taking decisions on any matter relating to the promotion of the interests of the Company,
- The appointment and supervision of the implementation of the corporate governance system of provisions 1 to 24 of Law 4706/2020, and the periodic monitoring and evaluation, at least every three (3) financial years, of its implementation and effectiveness, taking appropriate actions to address any deficiencies,
- The assignment of the Internal Audit of the Company to one or more persons, that are not members of the Board of Directors,
- Ensuring the adequate and effective operation of the internal control system (which includes the functions of Internal Audit, Regulatory Compliance and Risk Management),
- The management of corporate affairs in order to promote the corporate interest and the supervision of the execution of the decisions of the Board and the General Meeting, while informing at the same time the other Board members about the corporate affairs,
- Determining the values and the strategic orientation of the Company, as well as the continuous monitoring of their compliance, ensuring that they are in line with the corporate culture,
- Ensuring that the corporate values and purpose influence all policies, practices, and behaviors within the Company, setting the appropriate standards of behavior by example,
- The design and monitoring of the implementation of the corporate strategy, as well as the approval and monitoring of the corporate business plan,
- Determining the extent of the exposure of the Company to the risks that it intends to assume towards the achievement of its corporate purpose, and particularly, its long-term strategic objectives,
- Determining and/or defining the responsibilities of the Chief Executive Officer and the Deputy Chief Executive Officer(s),
- Establishing a policy to identify, avoid and deal with conflicts of interest between the interests of the Company and those of the members of the Board of Directors or persons to whom the Board of Directors has delegated some of its responsibilities,



- Determining the appropriate structures, reporting lines and responsibilities towards the achievement of the Company's objectives,
- Ensuring the smooth succession of its members and the senior executives of the Company,
- The efficient operation and regular evaluation of the Board of Directors, its Committees, and members, as well as their continuous improvement,
- Ensuring that the composition and operation of the Board of Directors and its Committees are in agreement with the applicable legislation, as well as ensuring the compliance with any obligation as required by the applicable legislation, the corporate documents, policies, and procedures governing it; and
- All other responsibilities as provided for in the Company's Articles of Association, its Internal Regulation, and the applicable legislation.

The Board of Directors may, in general, delegate the powers of management and representation of the Company (except those requiring collective action) to one or more persons, members of the Board or not, while determining at the same time the extent of such delegation. In any case, the powers of the Board of Directors are subject to the provisions of articles 19 and 99-100 of Law No. 4548/2018, as in force.

#### **Chairman of the Board of Directors**

The Chairman of the Board of Directors is the main connection between the Management, the Board of Directors and the shareholders of the Company and has the following responsibilities:

- Presides over the meetings of the Board of Directors and ensures that its work is in line with its obligations towards shareholders, the Company, the supervisory authorities, the law, and the Articles of Association of the Company.
- Determines the items on the agenda and ensures the effective organization of the meetings, encouraging open debate and the effective contribution of the members of the Board. Furthermore, at the request of a Board member, the Chairman shall be expected to provide an accurate summary of his/her opinion in the minutes.
- Ensures that the Board members are accurately and timely informed and have the support of the Management executives.
- Facilitates the effective participation of executive and non-executive Board members in the work of the Board, and ensures the establishment of constructive relationships between the executive and non-executive Board members.
- Ensures that the Board of Directors as a whole has a satisfactory understanding of the views of the shareholders. Ensures the effective communication with all shareholders with a view to the fair and equitable treatment of their interests.
- Promotes dialog with the rest of the stakeholders.
- Ensures the evaluation of the Board of Directors and its Committees.

Further, in addition to the above responsibilities related to the operation of the Board of Directors, and to the extent that the Chairman retains his/her executive capacity, he/she shall exercise the executive

powers delegated to him/her by the relevant authorizations of the Board of Directors, with a view to participating in all decisions that materially affect the course of the Company.

#### **Vice-Chairman of the Board of Directors**

The Vice-Chairman of the Board of Directors, who is specifically appointed by the decision constituting the Board of Directors into a body, is the person who replaces the Chairman in his/her duties, in cases where the Chairman is unable to exercise them and, in general, where this is provided for by the Company's Articles of Association and the law.

#### **Chief Executive Officer**

The Chief Executive Officer is the executive member of the Board of Directors who is assigned by decision of the Board with the management and representation of the Company, acting within the limits of the powers and responsibilities provided for by the applicable legislation, the Articles of Association, the specific decisions of the Board of Directors, the Regulations and the Policies governing the operation and organization of the Company.

In particular, the CEO has the following responsibilities:

To perform any act of administration, management, and representation of the Company within the scope of the powers and responsibilities delegated to him/her by the Board of Directors,

To decide on all matters, in general, relating to the Company within the scope of the corporate purpose,

To execute the decisions of the Board of Directors at all times,

To implement the Company's corporate strategy as this is determined by the Board of Directors,

To delegate in general or for certain actions only, the exercise of the powers and responsibilities entrusted to him/her to third persons, employees or not of the Company, members or not of the Board of Directors, within the scope of the powers delegated to him/her, while determining at the same time the extent of such delegation,

To ensure that the members of the BoD are provided promptly with all the necessary information for the performance of their duties,

- To work with the Company Secretary for matters relating to the organization of the Board of Directors and to keeping the BoD Members fully informed,
- To regularly consult with the non-executive members of the BoD on the appropriateness of the corporate strategy during its implementation,
- To inform the BoD in writing without undue delay, either severally or jointly with the other executive members of the BoD, by submitting a report with the relevant assessments and recommendations, when a crisis or risk situation arises or when circumstances require measures to be taken which are reasonably expected to have a significant impact on the Company, such as when decisions are to be taken regarding the development of the Company's activities and the risks to be assumed, which are expected to affect its financial position.

#### **Deputy Chief Executive Officer(s)**

The Board of Directors may elect one or more Deputy Chief Executive Officers from its executive members and at the same time determine their powers and responsibilities, who act jointly or separately to replace the Chief Executive Officer in the entire scope of his responsibilities, unless the Board of



Directors assigns them specific responsibilities only by defining at the same time their responsibilities or limited powers.

In addition, in order to provide sufficient information when making decisions regarding transactions between related parties, the Board of Directors has approved and applies a procedure of transactions.

The procedure of transactions with related parties provides in particular:

- The legislative and regulatory framework with which the Company must comply;
- The responsibilities of the Company as well as the roles and obligations of the departments and directorates of the Company and involved in the management of transactions with related parties;
- Defining and identifying related parties;
- The procedure of managing and approving the conclusion of transactions with related parties;
- The legal notification procedures for concluding transactions with related parties.

In addition to the procedure concerning the transactions with related parties, the Company has adopted a conflict of interest policy, which includes further procedures, in order to avoid conflict of interest of members of the BoD as contracting parties in the relevant transaction.

Finally, the Company has established a policy of suitability of the members of the Board of Directors (hereinafter referred to as the "Suitability Policy") which aims at ensuring quality staffing, efficient operation and fulfillment of the role of the Board of Directors, based on the overall strategy and medium-term business pursuits of the Company with a view to promoting the corporate interest. It includes the principles concerning the selection or replacement of the members of the Board of Directors and the renewal of the term of office of the existing members, the criteria for the assessment of the collective and individual suitability of the members of the Board of Directors, the provision of diversity criteria.

The Suitability Policy is uploaded on the Company's website <http://www.intralot.com>

### **Responsibilities & Conduct of the members of the Board of Directors**

The members of the Board of Directors must in particular:

- Comply with the law, the Articles of Association, and the lawful decisions of the General Meeting of Shareholders of the Company.
- Manage the corporate affairs with the sole purpose of promoting the corporate interest.
- Not pursue own interests that conflict with the interests of the Company.
- Disclose in a timely and adequate manner to the other members of the Board, own interests that may arise in connection with transactions of the Company or its affiliated companies.
- Abstain from voting on matters where there is a conflict of interest between their own interests and those of the Company.
- Disclose to the Board of Directors other professional commitments as soon as they arise.
- Not compete against the Company either by themselves or through any third party by attempting acts that fall within the scope of the Company, unless they are authorized to do so by the General Meeting or unless this is provided for in the Articles of Association of the Company.
- Collectively ensure that the annual financial statements, as well as the rest of the Company reports (management, corporate governance, remuneration reports) are prepared and published in accordance with the law.

- Maintain records, books, and information as required by law.
- Maintain strict confidentiality with respect to corporate affairs and secrets and refrain from acts of abuse and unlawful disclosure of privileged information in accordance with the law.
- Not execute transactions involving the Company's shares, debt instruments, derivative instruments, or other related financial instruments in violation of the law.
- Disclose to the Company all transactions carried out on their behalf concerning shares, or debt instruments, or derivative instruments, or other related financial instruments of the Company, in case the total amount of these transactions exceeds the amount set as a limit by the applicable provisions.
- Disclose any transaction with a key customer, domestic provider or supplier of the Company that does not fall within the current and ordinary transactions of the Company with these partners.
- Have sufficient time to perform their duties.
- Furthermore, specifically the executive members of the Board of Directors:
  - Are responsible for the implementation of the strategy decided by the Board of Directors.
  - Regularly consult with the non-executive members of the Board of Directors on the appropriateness of the corporate strategy in force.
  - In case of a crisis or risk and when important decisions are to be taken, such as decisions affecting the Company's financial situation, they shall inform the Board of Directors without delay by submitting a report including their assessments and proposals.
  - The non-executive members of the Board of Directors must in particular:
    - Monitor and review the corporate strategy, its implementation, as well as the achievement of the Company's objectives.
    - Effectively supervise the executive members, including monitor and review their performance.
    - Review the proposals of the executive members and express their views on them on the basis of the available information.
  - In addition to the above, the independent non-executive members must:
    - Attend meetings concerning the preparation of the financial statements of the Company or any other matter approved by the General Meeting with an increased quorum and majority.
    - Submit, either jointly or separately, reports to the General Meeting in addition to those submitted by the Board of Directors.

### **REMUNERATION POLICY**

The Remuneration Policy for the members of the Board of Directors shall enter into force after being approved by the Ordinary General Meeting of Shareholders of INTARLOT dated on 29.05.2020, as per the provisions of L. 4548/2018 articles 110 par. 2) and the duration of which cannot exceed the duration of four (4) years as from the date of its approval by the General Meeting and it can be renewed and/or amended sooner with the respective decision of a next General Meeting.

It must be noted that the present Remuneration Policy is valid for all BoD members as per the specific provisions of articles 110 and 111 of L. 4548/2018. The Remuneration Policy for BoD members is taking into consideration the existing legal framework as well as the code of Corporate Governance and the



Operation's Regulation of the Company, in order to align the remuneration of the Board of Directors with the interests of all Company's stakeholders.

The Remuneration Policy contributes to the business strategy, the long-term interests and the sustainability of the Company. This is achieved by giving the Company the flexibility to hire, for different roles, people with the appropriate level and skills ensuring that their remuneration is closely connected to the long-term goals of INTRALOT and, primarily, that such remuneration is aligned with the Company's shareholders interests, taking in account a wider group of stakeholders, such as the employees.

The Remuneration Policy responds to the legal requirements and ensures compliance with the European and Greek legal framework. Purpose of this Remuneration Policy is to conform to the market practices, serving the Company's long-term and short-term business plan, its strategic vision and its sustainability.

## **REMUNERATION COMPONENTS**

### **REMUNERATION OF THE EXECUTIVE MEMBERS OF THE BOARD OF DIRECTORS**

The remuneration of the Executive Members of the Board of Directors includes the annual fixed remuneration, as well as benefits in kind, in accordance with the individual employment contracts as well as remuneration for the time spent on their participation to the meetings of the Board of Directors for the fulfillment of their duties.

#### **Fixed Remuneration**

The fixed remuneration reflects the level of the responsibility, experience and expertise of the Executive Members of the Board of Directors. The remuneration must be competitive with respect to similar entities in the industry, and appropriate, taking into consideration the performance and prospects of the Company.

The annual fixed remuneration is determined in accordance with the terms of the respective individual employment contract and is subject to all legal deductions and charges in accordance with the Greek law.

INTRALOT provides to the Executive Members of the BoD also remuneration based on performance as well as participation in pension schemes, as per the general remuneration policy for all the Company employees which cannot exceed for all the above the 100% of the amount of their annual fixed remuneration. Additionally, it also provides to the Executive Members of the Board of Directors the legally required social security contributions.

#### **Other Benefits in kind**

The Company provides private-use vehicles and/or fuel subsidies to the Executive Members of the BoD. However, it should be noted that such benefits in kind constitute additional voluntary benefits provided by the Company, which are paid on a discretionary basis and are not counted in or added on to the fixed salary. These benefits in kind may be modified or revoked in whole or in part by the Company at its sole discretion.

#### **Remuneration**

The remuneration of the executive members of the BoD is proportional to the time they participate in Board meetings, as well as to the fulfillment of the duties assigned to them, and this remuneration is set for each executive member of the BOD at a maximum per year amount which cannot exceed the

30% of the annual fixed remuneration. The final amount will be defined by the Bod at the end of each year.

#### **REMUNERATION OF THE NON-EXECUTIVE BOD MEMBERS**

The Non-Executive Members of the BoD are elected by the General Meeting in accordance with the provisions of the Law and the Articles of Association of the Company. They receive an annual basic salary, which reflects their time of employment and duties and is independent of the performance of the Company. For this very reason, the Non-Executive Members of the BoD are not entitled to a variable remuneration related to the performance of the Company or any long-term incentives related to the Company's share.

#### **Remuneration**

The remuneration of the Non-Executive and Independent members of the BoD is proportional to the time they participate in Board meetings, as well as to the fulfillment of the duties assigned to them in accordance with Law 3016/2002, and is determined to a maximum € 35,000 for independent-non Executive members of the BoD and € 50,000 for Non-Executive members per year and per person. The calculation of the annual remuneration of the Non-Executive members of the BoD members is a function of the amount of remuneration per meeting, as well as the maximum number of meetings per month, for which the members are entitled to receive remuneration and the final amount shall be determined by the BoD in the end of each year. The Non-Executive Members of the BoD participate in the predetermined BoD meetings and the Committees thereof, in compliance with the Internal Rules & Regulations of the Company. The remuneration of the Non-Executive and Independent Non-Executive Members of the BoD is subject to all legal deductions and charges as provided by Greek law.

#### **Business Expenses / Costs**

The Non-Executive BoD members may be reimbursed by the Company for business expenses of a reasonable amount incurred by them in the performance of their duties. These expenses include but are not limited to: Travel and accommodation expenses for the purpose of attending the meetings of the BoD. The travel and accommodation expenses of the Non-Executive Members of the BoD are subject to the approval of the Chairman of the BoD.

#### **Company Contracts with the Executive BoD Members**

The duration of the contracts of the Executive Members of the BoD -in their capacity as Executive Members- shall be determined each time following recommendation of the Committee prior to their conclusion. The existing contracts of the Executive members of the BoD are of an indefinite duration.

#### **Conditions of Termination of Contract - Deadline for the Notice of the Contract Termination & Indemnity**

In the event of termination of an Executive member contract on the initiative of the Company, the deadline for the notice of the contract termination and the payment of indemnity shall be as set forth in the relevant Labor Law. The BoD, following respective recommendation of the Committee, may also negotiate additional incentives in cases of early termination.

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#### **Indemnity for Termination of Contract**



The Executive members of the BoD -in their capacity as Executive Members- are not entitled to lump sum payments or other indemnities from the Company for the loss of their position or other reason, howsoever arising, apart from the compensation provided by Law.

For the total remuneration and compensation, pursuant to the provisions of the law annually, the remuneration report as provided for by L. 4548/2018 is prepared, approved by the Board of Directors and submitted to the Ordinary General Meeting for voting, and which, in view of its approval by the Ordinary General Meeting is checked for completeness by the external auditors of the Company. The information on the remuneration report shall also be examined by the Remuneration & Nomination Committee, before submitting the report to the General Meeting.

During the Ordinary General Meeting of shareholders that will take place within 2022 concerning the approval of the financial results 2021, the Remuneration Report related to the paid remunerations to the Board of Directors Members during 2021, will be submitted according to article 112 of Law 4548/2018 as well as the Company's Remuneration Policy of the Board of Directors.

The Remuneration Policy is available on the Company's website <https://www.intralot.com>

### **Other Managerial and Supervisory Bodies**

The Board of Directors may decide to establish committees governing human resources, scheduling, control or other responsibilities as it deems necessary to facilitate the purpose of the Company. The detailed terms of mandate, composition, term, the directorship and reporting frequency to the Board of Directors is determined at the time of establishment. The committees have consulting competence and submit their recommendations to the Board of Directors for due examination and action. Exceptionally, the Board of Directors may, at its discretion, delegate to these committee's executive and/or decision making authorities in cases allowed by law and the Company's Articles of Association.

#### **A. Audit Committee**

The Audit Committee was elected by the Ordinary General Meeting dated on 29.06.2021 The current line – up of the Audit a Committee is as follows:

Chairman:

Ioannis K. Tsoumas, Independent - non-executive member

Members:

Adamantini K. Lazari, independent - non-executive member and

Dionysia D. Xirokosta, independent - non-executive member

The Audit Committee is a committee of the Board of Directors, established with the aim of assisting them with respect to the fulfilment of their supervisory responsibilities as regards the financial reporting and information, of ensuring the compliance of the Company and its subsidiaries with the legislative and regulatory framework of operation as well as of ensuring the audit system procedure and the exercise of supervision over the operation of the auditing operation.

The Audit Committee is comprised of at three (3) non-executive members of the Board of Directors, of which the one independent non-executive member who presides the meetings and has experience/knowledge on financial and accounting matters and meets the other conditions set by the applicable legislation

### **Responsibilities**

The main responsibilities of the Audit and Compliance Committee are:

- The monitoring and evaluation of the adequacy of the internal audit and risk management system of the Company. The Committee is informed of the annual audit program of the Internal Audit Unit prior to its implementation and holds regular meetings with the Head of the Internal Audit Unit, so as to discuss issues of his/her competence, as well as problems that may arise as a result of the internal audit procedure.
  - The monitoring of the findings of the Supervisory and Tax Authorities including the responses of the Management of the Company.
  - The biannual examination of the adequacy of the Internal Regulation of the Company.
  - The monitoring of the financial reporting processes.
  - The monitoring of the procedure of statutory audit of the biannual and annual individual and consolidated financial statements of the Company, which are prepared according to the International Financial Reporting Standards (IFRS) and whose approval is at the discretion of the Board of Directors of the Company. The Committee takes into account the supplementary report submitted by the Certified Accountant/Auditor that contains the results of the statutory audit carried out and meets at least the specific requirements in accordance with Article 11 of Regulation (EU) No 537/2014 of the European Parliament and Council of the 16th of April of 2014. In addition, the Committee reviews the financial reports prior to their approval by the Board of Directors, and evaluates their completeness and consistency in relation to the information provided to it and the accounting principles applied by the Company.
  - The Committee examines the most significant financial-accounting reporting matters and the notes to the financial statements, focusing on the areas and the methods utilized to evaluate assets and liabilities that are open to subjective interpretation.
  - The examination of any taxation or legal matters that may have a significant impact on the financial statements.
  - In collaboration with the Management of the Company and the internal and external Auditors, the Committee examines the adequacy of the information systems of the Company including the significant risks and the established controls to minimize them.
  - The Committee recommends the statutory external auditor or firm of auditors (the Auditor) to the Board of Directors, so that the latter can submit their proposal for the appointment of a statutory external auditor or firm of auditors to the General Meeting.
  - The Committee ensures the independence and objectivity of the Auditor specifically through the examination of the compliance of the firm as to the rotation of the auditors, the amount of the remuneration paid by the Company and the provision of other services (e.g. consulting services) by the statutory auditor or the firm of auditors.
  - The Committee is informed by the Auditor or the firm of auditors at least once a year, on all matters relating to the progress and the results of the statutory audit. In this framework, the Committee receives a report on the weaknesses of the internal audit system, especially the weaknesses of procedures relating to financial reporting and the preparation of financial statements.
- 
- The Committee ensures that the internal and external auditor can communicate freely with the Board of Directors by acting as their main liaison.
  - The Committee meets with the Auditor (either with or without the presence of the Management



of the Company) to discuss the aforementioned matters, potential disputes which may arise between the Auditor and Management of the Company, as well as any other significant changes that may occur in the audit plan.

- The Committee proposes to the Board of Directors the appointment, replacement, and termination of the Internal Auditor and is responsible for the periodic evaluation of his/her performance.
- The Committee receives and examines the periodic internal audit reports and supervises the progress of the implementation of the propositions of the Internal Auditor that are adopted by the Management, as these are expressed in the corresponding reports.
- The Committee ensures transparency by examining issues of transparency pertaining to the procedures of awarding and execution of public tenders in accordance with the applicable legislation in force.
- The Committee monitors the transactions of the subsidiaries of the Company and its affiliated companies in Greece and abroad as to the interests and the activities of the group.
- The Committee proposes the appointment of a person responsible for the policy relating to the disclosure of wrongdoing, determines his/her responsibilities, as well as any remuneration (whistleblowing policy).

During the year 2021, the Audit a Committee held 17 meetings and dealt with all matters within its competence, as defined by the provisions in force. The relevant information material (internal audit reports, auditors' reports and presentations, financial and non-financial information, etc.) was distributed in time manner to the members of the Audit Committee for study and relevant minutes were kept in which the issues discussed and approved by the Commission and notified to the Management Board.

#### MEMBERS AND MEETINGS OF THE AUDIT COMMITTEE DATED 1.1.21-31.12.21

NAME	CAPACITY	DURATION	NUMBER OF MEETINGS
IOANNIS TSOUMAS*	MEMBER OF THE BOARD – INDEPENDENT NON- EXECUTIVE MEMBER – CHAIRMAN	29.06.21-28.06.27	17
ADAMANTINI LAZARI	MEMBER OF THE BOARD – INDEPENDENT NON- EXECUTIVE MEMBER	29.06.21- 28.06.27	6
DIONISIA XIROKOSTA	MEMBER OF THE BOARD – INDEPENDENT NON- EXECUTIVE MEMBER	29.06.21-28.06.27	6
ANASTASIOS TSOUFIS	MEMBER OF THE BOARD – INDEPENDENT NON- EXECUTIVE MEMBER	09.10.06 -28.06.21	11
IOANNIS TSOUKARIDIS	MEMBER OF THE BOARD – INDEPENDENT NON- EXECUTIVE MEMBER	10.04.14- 28.06.21	11

\*In the previous composition of the Audit Committee until 28.06.21 participated Mr. Anastasios Tsoufis and Mr. Ioannis Tsoukaridis and chairman of the Committee was the re-elected member of the Board of Directors, Mr. Ioannis Tsoumas.

The Regulation for the operation of the Audit Committee is available on the Company's website [www.intralot.com](http://www.intralot.com).

## **ANNUAL REPORT ON AUDIT COMMITTEE 1.1.21-31.12.21**

### **1.Introduction**

The Audit Committee of INTRALOT is a Committee of the Board of Directors of the Company, operating on the basis of the current institutional framework and the corporate governance principles concerning companies whose securities have been admitted to trading in a regulated market. It operates within the framework of the Internal Regulation that has been approved by the Board of Directors of the Company, as in force from time to time.

### **2.Purpose - Responsibilities**

The primary purpose of the Audit Committee (AC) is to support the Board of Directors in its duties relating to the monitoring of the quality and integrity of financial reporting and financial statements, the evaluation of the effectiveness of the internal control and the risk management system, as well as the monitoring of the statutory audit of the annual and consolidated financial statements of the Company.

The responsibilities and operation of the Audit Committee with respect to fulfilling its purpose are further detailed in the Internal Regulation of the Company that is available at the following hyperlink:

<https://www.intralot.com/>

In general, the Audit Committee had full and unimpeded access to all information that is considered necessary and appropriate for the performance of its duties. The Audit Committee has been provided by the Company's Management with all the necessary infrastructure and human resources for the performance of its duties.

### **3.Composition**

In accordance with its Regulation of Operation, the Audit Committee is composed of three (3) independent non-executive members of the Board of Directors, who are not involved in the operation of the Company in any way, with a view to make objective and independent judgments that are free from conflicts of interest. At least one member of the Audit Committee must meet the criteria of paragraph 1 of article 44 of Law 4449/2017.

The current Audit Committee, which was elected on 29/6/2021, is composed of three (3) independent non-executive Members of the Board of Directors. The term of office of the members of the Audit Committee is equal to that of the Board of Directors.

All Members of the Audit Committee have sufficient knowledge of the field in which the Company operates and at least one member has sufficient knowledge of accounting and auditing.

The Audit Committee is composed of the following Members:

Ioannis Tsoumas, Chairman of the Audit Committee, Independent Non-Executive Member of the Board of Directors.

Adamantini Lazari, Independent Non-Executive Member of the Board of Directors.

Dionysia Xerocosta, Independent Non-Executive Member of the Board of Directors.



#### **4. Meetings**

The Audit Committee convenes as necessary, but at least four times per annum at the invitation of its Chairman and meets with the regular auditor of the Company without the presence of the members of the Company's Management at least twice a year. For the execution of its work, the Audit Committee convenes within the first quarter of each year, in order to draw the annual plan and determine the frequency and duration of the meetings that will take place throughout the year, so as to cover the areas and systems that fall within its remit.

During the Financial Year (FY) 2021 (01/01/2021 - 31/12/2021), the Audit Committee has held a total of seventeen (17) meetings with the participation of all its members and all its decisions were taken unanimously. During each meeting all the required information material has been distributed and, in cases where this was deemed necessary, in addition to its members, other Management executives (without voting rights), and the certified auditors have participated.

#### **5. Activities of the Audit Committee for FY2021**

Due to the election of a new Audit Committee on 29/06/2021, the Annual Report on the Activities of the Audit Committee for the FY 2021 is divided into two periods: 01/01/2021 - 28/06/2021 and 29/06/2021 - 31/12/2021.

During the above-mentioned meetings, the Audit Committee has dealt with issues within its competence, namely:

##### **1/1/2021 - 28/06/2021 (11 MEETINGS)**

###### **A. Internal Control System Structure and Procedures**

- The Audit Committee has monitored and evaluated the adequacy and effectiveness of the internal control and risk management system with regard to financial reporting.
- It has examined and evaluated the findings and recommendations of both the internal auditors and the Certified Auditors, as well as the actions taken in this regard.
- It has informed the Board of Directors on the above.

###### **B. Financial Statements - Statutory Audit**

- The Audit Committee has held meetings with the Management and was informed of the financial reporting process, as well as of any issues that could have had an impact on the financial statements.
- It has informed the Board of Directors of the result of the statutory audit, and has proposed to the Board of Directors the approval of the annual Financial Statements on an individual and a consolidated basis, prior to their publication, based on the accounting principles followed.
- It was informed of the Supplementary Audit Report of the Company's Certified Auditors.
- It has reviewed the Annual Financial Report for FY 2020.
- It has reviewed the audit program and approach of the statutory audit of the Company's Certified Auditors, SOL CROWE and GRANT THORNTON for the FY 2020.
- The main topics of the audit was "Key Audit matters":
  - A) Evaluation of impairment for goodwill and intangible assets (consolidated and corporate financial

statements) B) Evaluation of impairment in investments in subsidiaries (corporate financial statements).

- It has held meetings with the Company's Certified Auditors at the stage of planning and conducting the audit and at the stage of preparation of the audit reports.
- It has held meetings with the Certified Auditors, without the presence of the Company's Management, during which the Audit Committee was informed about the cooperation of the Certified Auditors with the Management regarding the financial audit matters.
- In accordance with its approved procedure, the Audit Committee has reviewed all services provided by the Certified Auditors and has confirmed that no services other than those required as part of the accounting, tax and other audits have been provided.
- Based on the information provided by the services of the Company and the Group, no issues regarding the independence of the Certified Auditors have arisen.
- It has monitored the services provided by the Certified Auditors as part of the statutory audit.
- It has submitted a recommendation for the reappointment by the General Meeting of the same Certified Auditors, i.e. the audit firms SOL CROWE and GRANT THORNTON, and the approval of their remuneration and employment terms.

It is noted that their remuneration was maintained at the same level as that of the previous financial year. This recommendation was made without any third party influence and without there being any contractual clause between the Company and any third party that would limit, for the General Meeting of the Shareholders, the selection of a certified auditor or an audit firm to certain categories or lists of certified auditors or audit firms, for the purpose of carrying out the statutory audit of the Company.

- It was informed by the Finance Division on the financial statements of Q1 2021 and has recommended their approval to the Board of Directors.

### **C. Internal Audit**

- It has monitored the effectiveness of the Internal Audit and the execution of the audit program by the Internal Audit Unit without compromising its independence.
- It was updated and has approved the annual audit plan of the Internal Audit Unit for FY 2021, in order to ensure its efficiency, taking into account the main areas of business and financial risk, as well as the results of previous audits.
- It has reviewed and evaluated the Internal Audit reports for Q1 2021, as well as the relevant comments of the Management and has informed the Board of Directors accordingly.
- It has monitored the development and progress of the findings of the Internal Audit during this period.
- It was informed and has approved the annual report and the activities of the Internal Audit Unit for the FY 2020 (01/01/2020 - 31/12/2020).
- It has approved the Regulation for the Operation of the Internal Audit Unit.



#### **D. Other matters**

- It has approved the notification of the General Meeting of Shareholders regarding its activities for the FY 2020 (01/01/2020 - 31/12/2020).
- It was informed about the conclusion of the Contracts for the implementation of the Proposed Restructuring and has recommended that the conclusion of the Contracts will preserve the value of the Company for the benefit of all stakeholders, allowing at the same time the Group to restructure its 2021 Notes and, therefore, be able to repay or fully refinance the outstanding 2024 Notes at maturity (through Equity Swap).
- It was informed by the Group Chief Financial Officer on the actions concerning the Company's liquidity to ensure the smooth continuation of its operations.
- It was informed of the assignment, for the Group's subsidiary Intralot Australia, of the local Certified Auditors firm, GRANT THORNTON, a member of the same network as the audit firm that is based in Greece, which is carrying out the audit for the INTRALOT Group. The Audit Committee, on the basis of the information provided to it, has considered these services as an extension of the statutory audit services already assigned to the firm that is based in Melbourne and not as separate, either advisory or audit & assurance services. Therefore, the Audit Committee has considered that this assignment does not put at risk the independence of this firm, its network and office in Greece, and that the subsidiary can proceed with the relevant assignment.

#### **29/6/2021 - 31/12/2021 (6 MEETINGS)**

##### **A. Organizational Structure - Operational Framework**

- The Audit Committee was formed into a body and has elected a Secretary.
- It was informed in detail by the Head of the Internal Audit of the Regulation of Operation of the Internal Audit Unit, the Regulation of Operation of the Audit Committee, the Internal Regulation of the Company, the Internal Control System, and the Code of Corporate Governance.

##### **B. Financial Statements - Statutory Audit**

- It was informed by the Certified Auditors of the interim Financial Statements for the first half of 2021, which has then reviewed and recommended their approval to the Board of Directors.
- It was informed by the Finance Division of the financial statements of Q3 2021 and has recommended their approval to the Board of Directors.

##### **C. Internal Audit**

- It has reviewed and evaluated the Internal Audit reports for Q2, Q3, Q4 2021, and the comments of the Management in this regard.
- It has monitored the development and progress of the Internal Audit findings, informed the Board of Directors of the Company of these findings, and submitted proposals for the implementation of corrective measures, where deemed appropriate.
- It has approved necessary changes to the Annual Audit Plan for 2021.
- It was informed of the Annual Audit Plan for 2022, which it has approved.

#### **Sustainable Development Policy**

The Sustainable Development Policy is determined by the Company's Management, which is committed to:

- The continuous development of the Company and the creation of economic value for its shareholders and stakeholders,
- Ensuring business ethics,
- Providing products and services, with due regard for environmental and/or social impact,
- Fostering innovation,
- Systematically monitoring its environmental footprint.

The relevant policy also includes a description of the actions linked to the thematic pillars of sustainable development, in particular actions relating to corporate governance, innovation and research, the industry and the customers, human resources, the environment and society in general.

## **THE CHAIRMAN OF THE COMMITTEE**

### **IOANNIS TSOUMAS**

#### **B. Remuneration and Nomination Committee**

The Remuneration and Nomination Committee was elected by the BoD dated on 30.06.21 and the line-up of the Remuneration and Nomination Committee is as follows:

Chairman:

Adamantini K. Lazari, Independent - non-Executive member,

Members:

Ioannis K. Tsoumas, Independent - non-executive member,

Dionysia D. Xirokosta, Independent - non-executive member,

The Remuneration and Nomination Committee for the election of members of the Board of Directors is a committee of the Board of Directors and is formed for the purpose of: (a) assisting the Board of Directors in the performance of their duties relating to the remuneration provided by the Company, by designing remuneration policies that are aimed at the long-term success of the Company and the group and at maximizing the value of the shareholders, taking into account that the senior and upper management executives of the Company and the companies of the group shall be adequately remunerated, in a way that is in compliance with the strategic objectives of the Company, the practices of the competition and any regulatory requirements, and (b) finding suitable persons to be elected as members of the Board of Directors and proposing candidates to the Board of Directors that the latter will nominate for election either by the General Meeting of the Company's shareholders or by the Board of Directors itself, in cases where this is provided by law.

#### **Members and Tenure:**

The Committee is comprised of three (3) members, the majority of whom are independent non-executive members. The Chairman of the Committee is appointed by the Board of Directors of the Company and must be an independent- non-executive member. The tenure of the members of the nomination committee shall coincide with the term of office of the Board of Directors with the possibility of its renewal. In any case their term of office in the Committee shall not exceed nine (9) years in total.



**Responsibilities:**

- The Committee proposes the remuneration policy of the Company including performance-based bonuses (incentive bonuses), stock options, as well as employee loyalty incentive programs.
- Specifically, with respect to the remuneration of executives and managers, the Committee proposes the amount of their fixed salary, the performance-related remuneration schemes, the pension schemes, as well as the severance packages.
- The Committee proposes the criteria and the general framework for the selection of the members of the Board of Directors and reviews periodically and consistently the needs for renewal of the Board of Directors in accordance with the Suitability Policy.
- It proposes procedures for determining the internal relations of the members of the Board of Directors.
- It determines the criteria for the selection of the new directors, as well as the transfers.
- Formulates proposals to the Board of Directors regarding the remuneration policy submitted for approval to the general meeting, in accordance with paragraph 2 of article 110 of Law 4548/2018.
- Formulates proposals to the Board of Directors regarding the remuneration of persons falling within the scope of the remuneration policy in accordance with article 110 of Law 4548/2018, and regarding the remuneration of the Company's executives, especially the head of the internal unit audit where the relevant recommendation is made in consultation with the Audit Committee
- Examines the information included in the final draft of the annual salary report, providing the opinion to the Board of Directors, before submitting the report to the general meeting, in accordance with article 112 of Law 4548/2018.

**During the meetings of 2021, the Committee has dealt with issues within its competence, namely:**

- Amendments to employment contracts of Board members.
- Report according to article 101 of Law 4548/2018 on the fair and reasonable remuneration of the Deputy CEO of INTRALOT.
- Election of a new Board of Directors (Curriculum Vitae of candidate members for participation in the Board of Directors of the Company / Submission of Proposal and Suggestion for the election of a new Audit Committee
- Remuneration Report of article 112 of Law 4548/2018 and the Company's Suitability Policy.

**REMUNERATION & NOMINATION COMMITTEE FOR THE ELECTION OF MEMBERS OF THE BOD**

**1.1.21-31.12.21 \***

NAME	CAPACITY	DURATION	NUMBER OF MEETINGS
ADAMANTINI LAZARI**	MEMBER OF THE BOARD – INDEPENDENT NON-EXECUTIVE MEMBER – CHAIRMAN	30.06.21-28.06.27	-
IOANNIS TSOUMAS***	MEMBER OF THE BOARD – INDEPENDENT NON-EXECUTIVE MEMBER	30.06.20-28.06.27	4
DIONISIA XIROKOSTA	MEMBER OF THE BOARD – INDEPENDENT NON-EXECUTIVE MEMBER	30.06.21-28.06.27	-

ALEXANDROS – STERGIOS MANOS	MEMBER OF THE BOARD – NON-EXECUTIVE MEMBER	09.03.20- 28.06.21	4
IOANNIS TSOUKARIDIS	MEMBER OF THE BOARD – INDEPENDENT NON-EXECUTIVE MEMBER	18.06.14- 28.06.21	4

\* The 4 meetings of the Remuneration and Nomination Committee of Members of the Board. took place from 1.1.21 - 28.6.21 under the previous composition of the Commission.

\*\* Ms A. Lazari was elected as Chairman of the Remuneration & Nomination Committee of the BOD on 30.6.21

\*\* Mr. I. Tsoumas was elected for the first time as a member of the Remuneration and Nomination Committee of Members of the Board on 15.10.20

The Regulation for the Remuneration and Nomination Committee for the election of members of the Board of Directors is available on the Company's website [www.intralot.com](http://www.intralot.com)

### C. EXECUTIVE COMMITTEE

The Executive Committee is a body of the Company that assists the Board of Directors and the management of the Company both in matters relating to strategic decisions and in matters relating to the planning of the day-to-day management of corporate affairs. The role of the Executive Committee is essential for the achievement of the inter-company communication, the coordination of the departments' projects and the support of the Chief Executive Officer at both an informative and advisory level.

The Executive Committee is comprised of the Chief Executive Officer, any possible Deputy Chief Executive Officer and the senior Management Executives that are direct reports to the Chief Executive Officer or any possible Deputy Chief Executive Officer based on the Organizational Chart.

The tenure of the Committee is indefinite.

#### Responsibilities:

The Executive Committee acts in accordance with the instructions and directions of the Board of Directors. The Committee is responsible for the implementation of the strategy drawn up by the Board of Directors. The Committee assists the Board of Directors in the adoption of resolutions relating to the strategy of the Company and the Group and proposes alternative strategic options to the Board of Directors, as well as the participation of the Company and/or the companies of the Group in tenders for the awarding of new projects by processing, analyzing and approving the submitted offers. The Committee deals with, resolves, and/or introduces to the Board of Directors of the Company matters relating to the planning of the day-to-day management of the corporate and intra-group affairs.

In order to fulfill its purpose, the Executive Committee is entrusted with the following responsibilities: the approval of the annual budget and the corporate business plan, the supervision and consultation of the Company with respect to the compliance with the corporate strategy, the monitoring of the investments, acquisitions and divestitures, as well as the development activities of the Company, the adoption of decisions relating to the signing of contracts of the parent company and/or the subsidiaries controlled by the parent company -for contracts implying a financial commitment exceeding the amount of one million euros (€ 1.000.000), as well as the participation of the Company and/or the companies of its Group in tenders. The operation of the Executive Committee aims to:

- Support the operation of the Board of Directors



- Focus on responsibility
- Improve the speed and efficiency of decision-making,
- Ensuring the objectivity and reliability of decisions.

The principles of ethics and the rules of internal governance of the Executive Committee are:

- Compliance with the requirements of the legislation, the Articles of Association, and the Internal Regulation of the Company, as well as with the decisions of its bodies
- Loyalty to the Company and prevention of damage to its interests
- Guarantee of the confidentiality of information
- Non-exploitation of confidential information
- Prohibition of the external activities that could impede an independent decision-making and could lead to a conflict of interest

The Regulation for the Executive Committee is available on the Company's website [www.intralot.com](http://www.intralot.com)

#### **Evaluation of the Board of Directors**

- The Board of Directors has established a procedure for the evaluation of the members in order to ensure the effective functioning of the Board of Directors and the fulfillment of its role as the highest governing body of the Company, responsible for the formulation of the strategy and the supervision of the management and adequate control. The evaluation procedures and the frequency with which they are applied aim at the timely identification of points that may need improvement, the appropriate information and the initiation of actions, so as to ensure the effective functioning of the Board of Directors and its Committees.
- The members of the Board of Directors are evaluated annually: (a) on a collective basis, taking into account the composition, diversity and effective cooperation of the members of the Board of Directors on the fulfillment of their duties Collective suitability means the suitability of all members of the Board of Directors so that it effectively exercises its leading role in corporate affairs, managing corporate affairs for the benefit of the company, shareholders and all stakeholders and ensuring that management implements corporate strategy and (b) on an individual basis concerning the assessment the contribution of each member to the successful operation of the Board of Directors, taking into account the status of the member (executive, non-executive, independent), participation in committees, the assumption of specific responsibilities / projects, the time devoted, the behavior and the use of the member's knowledge and experience In addition, through the evaluation of the effectiveness of the Committees of the Board of Directors, namely the Audit Committee and the Nomination and Remuneration Committee, their contribution to the constructive fulfillment of the support of the Board of Directors is assessed and evaluated.

#### **VIII. Diversity Policy**

The Company has and implements a diversity policy, aiming at promoting a suitable level of diversity within the Board and achieving an inclusive set of directors. The collection of a wide range of qualifications and skills when selecting directors ensures a variety of opinions and experiences, with a view towards proper decision-making. This Policy includes the key diversity criteria applied by the Company when selecting Directors and are key priorities (diversity objectives) of the Company, including at least: a) adequate gender representation - at least twenty five percent (25%) of the total number of

directors must be of the other gender. (In case of fraction this percentage is rounded to the previous whole number) b) ensuring equal treatment and equal opportunities for all potential Directors, irrespective of gender, race, colour, national, ethnic or social origin, religion or belief, assets, birth, marital status, disability, age or sexual orientation.

## **IX. SUSTAINABLE DEVELOPMENT POLICY**

### **INTRODUCTION and OBJECTIVE**

#### **"INTRALOT S.A. INTEGRATED LOTTERY SYSTEMS AND SERVICES"**

(hereinafter referred to as the "Company") understands sustainable development as the development that meets the needs of the present generation without compromising the ability of future generations to meet their own needs. In this context, the Company has adopted Sustainable Development as this is defined in the strategy of the European Union. This is described as a continuous process of change and adaptation, rather than a static situation, aiming to meet the needs of the present generation without jeopardizing the ability of future generations to meet their own needs. Sustainability is an approach that is determined by the impact of a company's activities on the environment and the community, in general. It is measured on the basis of non-financial indicators relating to environmental, social and governance issues (hereinafter "ESG") which are economically important (material) for the company and the collective interests of its stakeholders.

In view of the above, the Company has established and undertakes to comply with the present Sustainable Development Policy (hereinafter the "Policy") in which it sets out in a specific framework the commitments and responsibilities it undertakes towards its employees, the industry, the environment and the society, with the aim to keep playing a leading role in issues relating to Sustainable Development, as it has demonstrated over time.

An effective sustainable development framework can enhance the Company's performance, reputation, and competitiveness.

In order to integrate sustainable development principles in all its business activities, it is important that all human resources are involved and interested in the implementation of the Policy.

### **2. COMMITMENTS OF THE COMPANY**

Sustainable development is a strategic orientation and priority of the Company, which is committed to offering its services on the basis of its corporate principles and values and driven by its people. The Sustainable Development Policy is formulated by the Company's Management, which is committed to:

- The continuous development of the Company, the evolution of the business model, and the creation of economic value for its shareholders and stakeholders,
- Ensuring business ethics,
- Providing products and services, with due regard for environmental and/or social impact,
- Fostering innovation,
- Monitoring the Company's environmental footprint on a regular basis,
- Establishing and monitoring improvement targets relating to ESG and the overall positive footprint of the Company.

For the achievement of these commitments, the Company focuses on the following sustainable development pillars as described in the below sections



### 3. SUSTAINABLE DEVELOPMENT PILLARS

The Company's approach to sustainable development is based on the following pillars:

**Corporate Governance:** The Company adopts the modern principles of Corporate Governance, that is, a set of rules, procedures and good corporate management and control practices that are in accordance with the current Greek legislation and the international best practices. Its Corporate Governance policies aim to safeguard the rights of shareholders and the interests of all stakeholders, with transparency and a high sense of responsibility. At the same time, in order to ensure a smooth business operations flow, the Company has established specific procedures that regulate its operation and define the framework of its daily activities. Particular attention is given to transparency issues across its business activities through the creation of a strong framework for the prevention, detection, and management of fraud, as well as the continuous training and information of its personnel.

**Innovation - Research and Development:** Innovation is a dynamic concept that is constantly evolving and gives shape and form to corporate ideas for a better future.

In this context, the Company invests significant funds in research and development over time, in order to enhance innovation and the continuous development of its products and services, while at the same time supporting the development of new entrepreneurship by providing the appropriate resources and know-how in this respect.

Part of the Company's strategy is to pave a future focused on innovation, where all innovative ideas can be freely expressed; For this reason the Company invests in the creation of innovative research and education centers, while cultivating partnerships with educational institutions both in Greece and abroad. In addition, it aims to establish partnerships with innovation pioneers globally and in different areas of specialization, from electronic systems and information technology to innovative green technologies.

**Human Resources:** The Company ensures a safe working environment, free of discrimination and offers equal opportunities regardless of gender, age, or nationality. In addition, the trade union rights of employees are always respected, health & safety rules are strictly followed and open door policies are consistently applied.

One of the Company's comparative advantages is the quality of its human resources.

For this reason, the Company focuses heavily on the selection, training, evaluation and rewarding of its personnel.

In order to meet its needs in this respect, the Company focuses on attracting high quality personnel, creating a safe and fair working environment, establishing objective evaluation criteria, while at the same time supporting the development of employees. In addition to a satisfactory compensation and benefits, the Company offers insurance, and inpatient and outpatient care benefits for all employees. Further, it creates a pleasant working environment, encouraging employees to maintain a balance between their professional and personal life. The Company ensures the establishment of a climate of mutual trust and understanding through appropriate channels of communication between the Management and employees, allowing the latter to share concerns or views relating to their work.

**Market and Customers:** The Company aims to provide advanced products and services, driven by innovation, high quality standards and safety, which are offered at competitive prices. The products and services offered by the Company meet the needs of customers throughout Greece and abroad in

a comprehensive way. The Company aims to develop an integrated supply chain in the light of the values of sustainable development.

**Environment:** The Company complies with the applicable legislation regarding environmental protection and takes the necessary measures to minimize environmental damage. The Company acts with a view to demonstrating environmental responsibility and adapts its practices to the needs of environmental protection. More specifically, it is committed to environmental responsibility and sensitivity by implementing proactive measures to protect the environment and minimizing any negative environmental impact. Also, it focuses on the reduction of its environmental footprint through the adoption of regular recycling practices, the use of environmentally friendly raw materials, the conservation of natural resources, the design of eco-friendly products, the reduction of the use of plastic and the reduction of the pollution from transportation. In this context, the Company has developed and implements an Environmental Management System (EMS), which provides an assessment and a well-structured approach regarding all environmental issues arising from its activities, ensuring the continuous monitoring and improvement of its environmental performance.

**Society:** The Company is committed towards society as a whole, aiming at improving the quality of life and the well-being of the local communities in which it operates. It actively participates in initiatives that contribute to the promotion of culture, education, and research. It supports actions aimed at improving the quality of life of the society as a whole, through the improvement of the technological skills of its members. It also contributes to the transition of the country to the digital era through investments in innovative research and educational centers and by cultivating partnerships with leading academic institutions in Greece, Europe, and the US. The Company also takes actions to combat poverty, hunger, and social inequality. It collaborates with Non-Governmental Organizations and other public benefit organizations to strengthen the livelihood opportunities of the least favored social groups.



## Independent Auditor's Report

To the Shareholders of "INTRALOT S.A. INTEGRATED LOTTERY SYSTEMS AND SERVICES"

### Report on the Audit of the separate and consolidated Financial Statements

#### Opinion

We have audited the accompanying separate and consolidated financial statements of INTRALOT S.A. INTEGRATED LOTTERY SYSTEMS AND SERVICES (the Company), which comprise the separate and consolidated statement of financial position as at December 31, 2021, the separate and consolidated income statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, including a summary of significant accounting policies and selected explanatory notes to the financial statements.

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of the Company and its subsidiaries (the Group) as at December 31, 2021, the financial performance and cash flows for the year then ended, in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the European Union.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs), as incorporated into the Greek Law. Our responsibilities, under those standards are further described in the "Auditor's Responsibilities for the Audit of the separate and consolidated Financial Statements" section of our report. We are independent of the Company and its subsidiaries, during the whole period of our audit, in accordance with the International Ethics Standards Board for Accountants "Code of Ethics for Professional Accountants" as incorporated into the Greek Law and we have fulfilled our ethical responsibilities in accordance with current legislation requirements and the aforementioned Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Material Uncertainty Related to Going Concern

We draw your attention to Note 2.1.1 in the separate and consolidated financial statements, which describes that the Group, in the context of capital management and in the light of the obligation to repay the Bonds due on September 2021, has completed on August 3, 2021 the reorganization process of the aforementioned Bonds, through the issuance of new Bonds due on September 2025 and the transfer of shares of the share capital of subsidiary in the USA to the holders of existing Bonds due on September 2024. Through this process, a decrease in total debt liabilities of the Group has been achieved, however, from the updated cash flow budget of the Group for the period until April 2023 considering also the operational risks described by management, there is uncertainty as regards the ability of the Group to fully service the cash outflows required for its operations during the aforementioned period.

As noted in Note 2.1.1, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the separate and consolidated financial statements of the current year. These matters were addressed in the context of our audit of the separate and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not express a separate opinion on these matters. In addition to the matter described in the "Material Uncertainty Related to Going Concern" section, we have determined the matters described below to be the key audit matters to be communicated in our report.

**Key audit matters**
**How our audit addressed the key audit matter**
**Evaluation of impairment for goodwill and intangible assets**
**(separate and consolidated financial statements)**

As at December 31, 2021, the Group presented in the consolidated Statement of Financial Position Goodwill amounting to € 0.3 mil., Software amounting to € 16.5 mil., Development Costs amounting to € 72.8 mil., Licenses amounting to € 105.1 mil. and Other Intangibles amounting to € 9.7 mil., as stated in note 2.16 of the separate and consolidated financial statements.

According to the requirements of IAS 36, goodwill and intangible assets with indefinite useful life are tested for impairment at least annually, while intangible assets with finite useful life are tested for impairment when there are indications of impairment. For the determination of the recoverable amount of the abovementioned assets, management is required to exercise judgement and significant estimates. During the year ended December 31, 2021, an impairment loss of € 15.2 mil. has been recognized in the Income Statement of the Group.

Given the significance of the balances of the abovementioned assets in the consolidated Statement of Financial Position, the degree of subjectivity to the assumptions underlying the impairment analysis and the significant judgments and estimates required by management, we consider the impairment of the abovementioned assets as a key audit matter.

The Group's disclosures regarding the accounting policy, as well as the judgements and estimates that have been used in the evaluation of impairment, are included in notes 2.1.6, 2.1.11 and 2.1.28 of the separate and consolidated financial statements.

Our audit procedures regarding the evaluation of impairment of goodwill and intangible assets included, among others:

- Evaluation of the management's assessment of whether there are indications of impairment of these assets.
- Evaluation of the policies, methodology and internal control procedures adopted by the Group regarding the assessment of impairment of these assets.
- Assessment of the suitability of either the fair value or the value-in-use models.
- Assessment of the reliability of business plans of management, including among others a comparison of the budgeted figures against the actual financial figures.
- Assessment of the reasonableness of key assumptions following comparison with external market information, including analysts' reports as well as internal information. Key assumptions that were evaluated, included revenue and profit margins, capital investments in licenses and equipment-related assets as well as discount rates.
- Use of a specialist with expertise in valuation and business modeling, to evaluate the mathematical precision of the models' calculations and to assess the reasonableness of the discount rates used.
- Assessment of the sensitivity analysis on the underlying assumptions and the potential impact on the relevant assets' recoverable amount.
- Evaluation of the adequacy and appropriateness of the disclosures in the accompanying financial statements with respect to the above matter.

**Evaluation of impairment in investments in subsidiaries**
**(separate financial statements)**

As at December 31, 2021, the Company's investments in subsidiaries amounted to € 138.7 mil. Investments in subsidiaries are initially measured at cost, which is adjusted for any impairment losses. During the year ended December 31, 2021, an impairment loss of € 6.8 mil. has been recognized.

For the evaluation of impairment in the Company's investments in subsidiaries, we conducted the audit procedures described in the key audit matter "Evaluation of impairment for goodwill and intangible assets".

Following the completion of the procedures for the Consolidated Financial Statements, we evaluated the analysis prepared by management, according to which the

For the determination of any impairment, management compares the carrying amount of each subsidiary



(CGU) with its recoverable amount. The recoverable amount is determined as the value in use, the determination of which is supported by forecasts of future operating flows, which are by nature subjective and depend on various factors, such as future sales.

Given the significance of the balance of investments in subsidiaries in the separate financial statements, the degree of subjectivity to the assumptions underlying the impairment analysis and the significant judgements and estimates required by management, we consider the assessment of impairment of investments in subsidiaries as a key audit matter.

In addition, we focused on this area because the data described in the key audit matter "Evaluation of impairment for goodwill and intangible assets" has also an impact on the investments in subsidiaries.

The Company's disclosures regarding the accounting policy, as well as the judgements and estimates that have been used in the evaluation of impairment, are included in note 2.1.6 (a) of the separate and consolidated financial statements.

recoverable amounts of the CGUs were correlated with the respective investments in subsidiaries.

In addition, we evaluated the adequacy and appropriateness of the relevant disclosures in the accompanying financial statements.

## Debt restructuring

### (consolidated financial statements)

As at December 31, 2021, the Group presented in the consolidated Statement of Financial Position total debt liabilities amounting to € 605 mil.

In August 3, 2021, Group completed the refinancing process of the Notes due September 2021 through the issuance of new Notes due September 2025 and the transfer of shares of the share capital of Intralot, Inc to the Noteholders of the existing Notes due September 2024.

Given that all the above transactions, from accounting perspective, are quite complex, require in depth assessment and interpretation of the Standards to conclude on the appropriate accounting treatment and result in significant adjustments in several financial statement line items, we consider group debt restructuring as a key audit matter.

The Group's disclosures regarding the transactions and their impact in the consolidated financial statements are included in note 2.33 of the separate and consolidated financial statements.

Our audit procedures regarding group debt restructuring included, among others:

- Review of the minutes of General Meetings of the Shareholders and Board of Directors meetings in order to confirm that all the agreements have been appropriately approved.
- Review of the legal documents and agreements related to the transactions, as well as supporting documentation related to restructuring, in order to confirm the substance of the transactions.
- With the support of our IFRS experts, we have reviewed all relevant to the transactions accounting memos prepared either by management or by management's advisors, we have evaluated the appropriateness of the accounting treatment in accordance with IFRS and how they are depicted in the financial statements.
- Evaluation of the adequacy and appropriateness of the disclosures in the accompanying financial statements with respect to the above matter.

## Other Information

Management is responsible for the other information. The other information, included in the Annual Financial Report, is comprised of the Management Report of the Board of Directors, for which reference is also made in section "Report on Other Legal and Regulatory Requirements", and the Representations of the Members of the Board of Directors, but does not include the financial statements and the auditor's report thereon.

Our opinion on the separate and consolidated financial statements do not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the separate and consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the separate and consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we conclude, based on our procedures performed, that there is a material misstatement therein, we are required to communicate that matter. We have nothing to report, regarding the aforementioned matter.

## Responsibilities of Management and Those Charged with Governance for the separate and consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the separate and consolidated financial statements in accordance with the IFRSs as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate and consolidated financial statements, management is responsible for assessing the Company's and Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to liquidate the Company or the Group or to cease operations, or there is no realistic alternative but to do so.

The Audit Committee (art. 44 L. 4449/2017) of the Company is responsible for overseeing the Company's and Group's financial reporting process.

## Auditor's Responsibilities for the Audit of the separate and consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs, as incorporated into the Greek Law, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users, taken on the basis of these separate and consolidated financial statements.

As part of an audit in accordance with ISAs, as incorporated into the Greek Law, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit, 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 and Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant



doubt on the Company's or Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company of the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinion on the separate and consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate and consolidated financial statements of the current period and are therefore the key audit matters.

## Report on Other Legal and Regulatory Requirements

### 1. Management Report of the Board of Directors

Taking into consideration that management is responsible for the preparation of the Management Report of the Board of Directors and Corporate Governance Statement that is included therein, according to the provisions of paragraph 5 of Article 2 of Law 4336/2015 (part B), we note the following:

- a. The Management Report of the Board of Directors includes a Corporate Governance Statement that provides the information required by Article 152 of Law 4548/2018.
- b. In our opinion, the Management Report of the Board of Directors has been prepared in accordance with the legal requirements of articles 150-151 and 153-154 and paragraph 1 (c and d) of Article 152 of the Law 4548/2018 and the content of the report is consistent with the accompanying financial statements for the year ended December 31, 2021.
- c. Based on the knowledge we obtained during our audit of the Company "INTRALOT S.A. INTEGRATED LOTTERY SYSTEMS AND SERVICES" and its environment, we have not identified any material misstatements in the Management Report of the Board of Directors.

### 2. Complementary Report to the Audit Committee

Our audit opinion on the accompanying separate and consolidated financial statements is consistent with the Complementary Report to the Company's Audit Committee, in accordance with Article 11 of the European Union (EU) Regulation 537/2014.

### 3. Non-audit Services

We have not provided to the Company and its subsidiaries any prohibited non-audit services referred to in Article 5 of EU Regulation 537/2014. The permitted non-audit services that we have provided to the Company and its subsidiaries during the year ended December 31, 2021, are disclosed in Note 2.6 of the accompanying separate and consolidated financial statements.

### 4. Auditor's Appointment

We have been appointed as joint statutory auditors by the Shareholders' Annual General Meeting of the Company on May 23, 2013. Since then, we have been appointed as joint statutory auditors for a total period of eight (8) years based on the decisions of the Shareholders' Annual General Meetings.

## 5. Internal Regulation Code

The Company has in effect Internal Regulation Code in conformance with the provisions of Article 14 of Law 4706/2020.

## 6. Assurance Report on European Single Electronic Format

We examined the digital records of the Company "INTRALOT S.A. INTEGRATED LOTTERY SYSTEMS AND SERVICES" (hereinafter the "Company" or/and the "Group"), prepared in accordance with the European Single Electronic Format (ESEF) as defined by the European Commission Delegated Regulation 2019/815, amended by the Regulation (EU) 2020/1989 (hereinafter "ESEF Regulation"), which comprise the separate and consolidated financial statements of the Company and the Group for the year ended December 31, 2021, in XHTML format (213800XNTZ8P8L74HM35-2021-12-31-en.xhtml), as well as the provided XBRL file (213800XNTZ8P8L74HM35-2021-12-31-en.zip) with the appropriate mark-up, on the aforementioned consolidated financial statements.

### Regulatory framework

The digital records of the European Single Electronic Format are prepared in accordance with ESEF Regulation and the European Commission Interpretative Communication 2020/C 379/01 of November 10, 2020, in conformance with Law 3556/2007 and the relevant announcements of the Hellenic Capital Market Commission and the Athens Stock Exchange (hereinafter "ESEF Regulatory Framework"). In summary, this Framework includes, among others, the following requirements:

- All annual financial reports shall be prepared in XHTML format.
- For the consolidated financial statements in accordance with IFRS, financial information included in the Income Statement, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Cash Flow Statement, shall be marked-up with XBRL tags, in accordance with the effective ESEF Taxonomy. ESEF technical specifications, including the relevant taxonomy, are set out in the ESEF Regulatory Technical Standards.

The requirements set out in the effective ESEF Regulatory Framework constitute the appropriate criteria for expressing a conclusion of reasonable assurance.

### Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and submission of the separate and consolidated financial statements of the Company for the year ended December 31, 2021, in accordance with the requirements of the ESEF Regulatory Framework, and for such internal control as management determines is necessary to enable the preparation of digital records that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibilities

Our responsibility is to design and conduct this assurance engagement, in accordance with No. 214/4/11-02-2022 Decision of the Board of Directors of the Hellenic Accounting and Auditing Standards Oversight Board (HAASOB) and the "Guidelines on the auditors' engagement and assurance report on the European Single Electronic Format (ESEF) for issuers whose securities are admitted to trading on a regulated market in Greece" as issued by the Institute of Certified Public Accountants of Greece on February 14, 2022 (hereinafter "ESEF Guidelines"), in order to obtain reasonable assurance that the separate and consolidated financial statements of the Company prepared by management in accordance with ESEF, are in compliance, in all material respects, with the effective ESEF Regulatory Framework.

We conducted our work in accordance with the International Ethics Standards Board of Accountants "Code of Ethics for Professional Accountants" (IESBA Code), as incorporated into the Greek Law, and we have complied with the ethical requirements of independence, in accordance with Law 4449/2017 and EU Regulation 537/2014.

We conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000 "Assurance Engagements other than Audits or Reviews of Historical Financial Information" and our procedures are limited to the





requirements of the ESEF Guidelines. Reasonable assurance is a high level of assurance, but is not a guarantee that this work will always detect a material misstatement of non-compliance with the requirements of the ESEF Regulation.

#### Conclusion

Based on the procedures performed and the evidence obtained, the separate and consolidated financial statements of the Company for the year ended December 31, 2021, in XHTML format (213800XNTZ8P8L74HM35-2021-12-31-en.xhtml), as well as the provided XBRL file (213800XNTZ8P8L74HM35-2021-12-31-en.zip) with the appropriate mark-up on the aforementioned consolidated financial statements, have been prepared, in all material respects, in accordance with the requirements of the ESEF Regulatory Framework.

Athens, April 8, 2022

The Certified Public Accountants

Evangelos D. Kosmatos  
SOEL Reg. No. 13561

Panagiotis Noulas  
SOEL Reg. No 40711

SOL S.A.  
Member of Crowe Global  
3, Fok. Negri Street, 112 57 Athens, Greece  
Institute of CPA (SOEL) Reg. No. 125



**ANNUAL FINANCIAL STATEMENTS**  
**INCOME STATEMENT OF THE GROUP / COMPANY FOR THE YEAR 2021**

Amounts reported in thousand €	Notes	GROUP		COMPANY	
		1/1-31/12/2021	1/1-31/12/2020 Restated <sup>*</sup>	1/1-31/12/2021	1/1-31/12/2020 Restated <sup>*</sup>
Sale Proceeds	2.2	413.998	344.885	43.819	47.672
Less: Cost of Sales	2.4-2.6	-294.554	-271.702	-38.098	-32.122
<b>Gross Profit / (loss)</b>		<b>119.444</b>	<b>73.183</b>	<b>5.721</b>	<b>15.550</b>
Other Operating Income	2.3	21.600	17.445	11.630	249
Selling Expenses	2.4-2.6	-22.576	-23.343	-6.410	-9.300
Administrative Expenses	2.4-2.6	-73.591	-64.241	-13.084	-14.686
Research and Development Expenses	2.4-2.6	-1.542	-2.859	-1.542	-2.859
Reorganization expenses		-17.170	-6.754	-11.190	-2.188
Other Operating Expenses	2.9	-3.940	-1.960	-605	-593
<b>EBIT</b>	2.1.27	<b>22.225</b>	<b>-8.529</b>	<b>-15.480</b>	<b>-13.827</b>
<b>EBITDA</b>	2.1.27	<b>110.440</b>	<b>66.191</b>	<b>-464</b>	<b>3.003</b>
Income/(expenses) from participations and investments	2.7	45.112	-3.895	65.089	1.939
Gain/(loss) from assets disposal, impairment loss and write-off of assets	2.8	-16.318	-21.028	-8.097	-12.116
Interest and similar expenses	2.10	-60.942	-49.903	-23.913	-20.570
Interest and similar income	2.10	47.381	1.539	5.765	4.938
Exchange Differences	2.11	-1.165	-8.639	677	-859
Profit / (loss) from equity method consolidations	2.31	213	-1.476	0	0
Profit / (loss) to net monetary position	2.34	595	61	0	0
<b>Profit/(loss) before tax from continuing operations</b>		<b>37.101</b>	<b>-91.870</b>	<b>24.041</b>	<b>-40.495</b>
Tax	2.12	-4.385	-7.346	3.754	2
<b>Profit / (loss) after tax from continuing operations (a)</b>		<b>32.716</b>	<b>-99.216</b>	<b>27.795</b>	<b>-40.493</b>
Profit / (loss) after tax from discontinued operations (b) <sup>1</sup>	2.31	-9.225	-3.684	0	0
<b>Profit / (loss) after tax (continuing and discontinued operations) (a)+(b)</b>		<b>23.491</b>	<b>-102.900</b>	<b>27.795</b>	<b>-40.493</b>
Attributable to:					
Equity holders of parent					
-Profit/(loss) from continuing operations		26.554	-102.860	27.795	-40.493
-Profit/(loss) from discontinued operations <sup>1</sup>	2.31	-9.093	-3.182	0	0
<b>Earnings/(losses) after tax per share (in €) from total operations</b>		<b>17.461</b>	<b>-106.042</b>	<b>27.795</b>	<b>-40.493</b>
Non-Controlling Interest					
-Profit/(loss) from continuing operations		6.162	3.644	0	0
-Profit/(loss) from discontinued operations <sup>1</sup>	2.31	-131	-502	0	0
<b>Earnings/(losses) after tax per share (in €) from total operations</b>		<b>6.031</b>	<b>3.142</b>	<b>0</b>	<b>0</b>
-basic	2.13	0,1177	-0,7177	0,1874	-0,2740
-diluted	2.13	0,1177	-0,7177	0,1874	-0,2740
Weighted Average number of shares		148.288.968	147.761.688	148.288.968	147.761.688

<sup>1</sup> The activities of Group subsidiaries and associates in Poland (Totolotek S.A.), in Bulgaria (Bilot EOOD, Eurofootball Ltd, Bilot Investment Ltd, Eurobet Ltd, Eurobet Trading Ltd, ICS S.A.), in Brazil (Intralot do Brazil Ltda, OLTP Ltda) and Peru (Intralot de Peru SAC) are presented as discontinued operations pursuant to IFRS5 (note 2.31.A.VIII).

\*Restated due to change in accounting policy (note 2.1.4)

The primary financial statements should be read in conjunction with the accompanying notes.



**STATEMENT OF COMPREHENSIVE INCOME OF THE GROUP / COMPANY FOR THE YEAR 2021**

Amounts reported in thousand €	Notes	GROUP		COMPANY	
		1/1-31/12/2021	1/1-31/12/2020 Restated*	1/1-31/12/2021	1/1-31/12/2020 Restated*
<b>Profit / (loss) after tax (continuing and discontinued operations) (a)+(b)</b>		<b>23.491</b>	<b>-102.900</b>	<b>27.795</b>	<b>-40.493</b>
Attributable to:					
Equity holders of parent					
-Profit/(loss) from continuing operations		26.554	-102.860	27.795	-40.493
-Profit/(loss) from discontinued operations <sup>1</sup>	<a href="#">2.31</a>	-9.093	-3.182	0	0
Non-Controlling Interest		17.461	-106.042	27.795	-40.493
-Profit/(loss) from continuing operations		6.162	3.644	0	0
-Profit/(loss) from discontinued operations <sup>1</sup>	<a href="#">2.31</a>	-131	-502	0	0
		<b>6.031</b>	<b>3.142</b>	<b>0</b>	<b>0</b>
<b>Other comprehensive income after tax</b>					
<b>Amounts that may not be reclassified to profit or loss:</b>					
Defined benefit plans revaluation for subsidiaries and parent company	<a href="#">2.26</a>	12	-143	20	-64
Defined benefit plans revaluation for associates and joint ventures		0	0	0	0
Valuation of assets measured at fair value through other comprehensive income of parent and subsidiaries	<a href="#">2.18</a>	-50	-112	41	1
<b>Amounts that may be reclassified to profit or loss:</b>					
Exchange differences on subsidiaries consolidation	<a href="#">2.23</a>	1.787	-15.171	0	0
Share of exchange differences on consolidation of associates and joint ventures	<a href="#">2.23</a>	1.329	-735	0	0
<b>Other comprehensive income / (expenses) after tax</b>		<b>3.078</b>	<b>-16.161</b>	<b>61</b>	<b>-63</b>
<b>Total comprehensive income / (expenses) after tax</b>		<b>26.569</b>	<b>-119.061</b>	<b>27.856</b>	<b>-40.556</b>
Attributable to:					
Equity holders of parent		22.124	-119.925	27.856	-40.556
Non-Controlling Interest		4.446	865	0	0

<sup>1</sup> The activities of Group subsidiaries and associates in Poland (Totolotek S.A.), in Bulgaria (Bilot EOOD, Eurofootball Ltd, Bilot Investment Ltd, Eurobet Ltd, Eurobet Trading Ltd, ICS S.A.), in Brazil (Intralot do Brazil Ltda, OLTP Ltda) and Peru (Intralot de Peru SAC) are presented as discontinued operations pursuant to IFRS5 (note [2.31.A.VIII](#)).  
\*Restated due to change in accounting policy (note [2.1.4](#))  
The primary financial statements should be read in conjunction with the accompanying notes.



**INCOME STATEMENT OF THE GROUP / COMPANY FOR THE 4<sup>th</sup> QUARTER OF 2021**

Amounts reported in thousand €	Notes	GROUP 1/10-31/12/2021	GROUP 1/10-31/12/2020 Restated*	COMPANY 1/10-31/12/2021	COMPANY 1/10-31/12/2020 Restated*
Sale Proceeds	2.2	111,211	101,528	23,632	16,157
Less: Cost of Sales	2.4-2.6	-78,224	-77,527	-15,454	-8,679
<b>Gross Profit / (loss)</b>		<b>32,987</b>	<b>24,001</b>	<b>8,178</b>	<b>7,478</b>
Other Operating Income	2.3	5,740	5,022	1,353	135
Selling Expenses	2.4-2.6	-6,448	-6,003	-1,775	-2,692
Administrative Expenses	2.4-2.6	-25,987	-17,106	-4,296	-4,161
Research and Development Expenses	2.4-2.6	-330	-797	-330	-797
Reorganization expenses		-296	-3,870	-80	-2,119
Other Operating Expenses	2.9	-900	-621	-3	-203
<b>EBIT</b>	2.1.2.7	<b>4,766</b>	<b>626</b>	<b>3,047</b>	<b>-2,359</b>
<b>EBITDA</b>	2.1.2.7	<b>27,839</b>	<b>20,935</b>	<b>6,424</b>	<b>3,269</b>
Income/(expenses) from participations and investments	2.7	845	-520	-1,546	481
Gain/(loss) from assets disposal, impairment loss and write-off of assets	2.8	-12,234	-20,990	-8,097	-12,126
Interest and similar expenses	2.10	-10,332	-12,374	-5,854	-5,290
Interest and similar income	2.10	479	163	5,062	2,648
Exchange Differences	2.11	-3,411	-4,888	210	-1,061
Profit / (loss) from equity method consolidations	2.31	34	72	0	0
Profit / (loss) to net monetary position	2.34	144	-181	0	0
<b>Profit/(loss) before tax from continuing operations</b>		<b>-19,709</b>	<b>-38,092</b>	<b>-7,178</b>	<b>-17,707</b>
Tax	2.12	3,244	-2,306	7,004	2,683
<b>Profit / (loss) after tax from continuing operations (a)</b>		<b>-16,465</b>	<b>-40,398</b>	<b>-174</b>	<b>-15,024</b>
<b>Profit / (loss) after tax from discontinued operations (b) <sup>1</sup></b>	2.31	<b>0</b>	<b>-487</b>	<b>0</b>	<b>0</b>
<b>Profit / (loss) after tax (continuing and discontinued operations) (a)+(b)</b>		<b>-16,465</b>	<b>-40,885</b>	<b>-174</b>	<b>-15,024</b>
Attributable to:					
Equity holders of parent		-17,952	-42,412	-174	-15,025
-Profit/(loss) from continuing operations		0	-147	0	0
-Profit/(loss) from discontinued operations <sup>1</sup>	2.31	-17,952	-42,559	-174	-15,025
Non-Controlling Interest		1,485	2,013	0	0
-Profit/(loss) from continuing operations	2.31	0	-341	0	0
-Profit/(loss) from discontinued operations <sup>1</sup>		1,485	1,672	0	0
<b>Earnings/(losses) after tax per share (in €) from total operations</b>					
-basic	2.13	-0,1211	-0,2880	-0,0012	-0,1017
-diluted	2.13	-0,1211	-0,2880	-0,0012	-0,1017
Weighted Average number of shares		148,288,968	147,761,688	148,288,968	147,761,688

<sup>1</sup> The activities of Group subsidiaries and associates in Poland (Totolotek S.A.), in Bulgaria (Bilot EOOD, Eurofootball Ltd, Bilot Investment Ltd, Eurobet Ltd, Eurobet Trading Ltd, ICS S.A.), in Brazil (Intralot do Brazil Ltda, OLTP Ltda) and Peru (Intralot de Peru SAC) are presented as discontinued operations pursuant to IFRS5 (note 2.31.A.VIII).

\*Restated due to change in accounting policy (note 2.1.4)

The primary financial statements should be read in conjunction with the accompanying notes.



## STATEMENT OF COMPREHENSIVE INCOME OF THE GROUP / COMPANY FOR THE 4th QUARTER OF 2021

Amounts reported in thousand €	Notes	GROUP 1/10-31/12/2021	GROUP 1/10-31/12/2020 Restated*	COMPANY 1/10-31/12/2021	COMPANY 1/10-31/12/2020 Restated*
<b>Profit / (loss) after tax (continuing and discontinued operations) (a)+(b)</b>		<b>-16.465</b>	<b>-40.885</b>	<b>-174</b>	<b>-15.024</b>
Attributable to:					
Equity holders of parent					
-Profit/(loss) from continuing operations		-17.952	-42.412	-174	-15.025
-Profit/(loss) from discontinued operations <sup>1</sup>	2.31	0	-147	0	0
Non-Controlling Interest		-17.952	-42.559	-174	-15.025
-Profit/(loss) from continuing operations		1.485	2.013	0	0
-Profit/(loss) from discontinued operations <sup>1</sup>	2.31	0	-341	0	0
<b>Other comprehensive income after tax</b>		<b>1.485</b>	<b>1.672</b>	<b>0</b>	<b>0</b>
<b>Amounts that may not be reclassified to profit or loss:</b>					
Defined benefit plans revaluation for subsidiaries and parent company		0	0	0	0
Defined benefit plans revaluation for associates and joint ventures	2.26	6	-80	20	-64
Valuation of assets measured at fair value through other comprehensive income of parent and subsidiaries	2.18	-32	76	-7	6
<b>Amounts that may be reclassified to profit or loss:</b>					
Exchange differences on subsidiaries consolidation	2.23	3.923	-5.229	0	0
Share of exchange differences on consolidation of associates and joint ventures	2.23	202	-282	0	0
<b>Other comprehensive income/ (expenses) after tax</b>		<b>4.099</b>	<b>-5.515</b>	<b>13</b>	<b>-58</b>
<b>Total comprehensive income / (expenses) after tax</b>		<b>-12.366</b>	<b>-46.400</b>	<b>-161</b>	<b>-15.082</b>
<b>Attributable to:</b>					
Equity holders of parent		-13.001	-48.187	-161	-15.084
Non-Controlling Interest		635	1.787	0	0

<sup>1</sup> The activities of Group subsidiaries and associates in Poland (Totolotek S.A.), in Bulgaria (Bilot EOOD, Eurofootball Ltd, Bilot Investment Ltd, Eurobet Ltd, Eurobet Trading Ltd, ICS S.A.), in Brazil (Intralot do Brazil Ltda, OLTP Ltda) and Peru (Intralot de Peru SAC) are presented as discontinued operations pursuant to IFRS5 (note 2.31.A.VIII).

\*Restated due to change in accounting policy (note 2.1.4)

The primary financial statements should be read in conjunction with the accompanying notes.



## STATEMENT OF FINANCIAL POSITION OF THE GROUP/COMPANY

Amounts reported in thousand €	Notes	GROUP		COMPANY	
		31/12/2021	31/12/2020 Restated*	31/12/2021	31/12/2020 Restated*
<b>ASSETS</b>					
Tangible assets	<a href="#">2.14</a>	123.210	134.332	22.820	25.332
Intangible assets	<a href="#">2.16</a>	204.306	202.014	57.791	70.778
Investment in subsidiaries, associates and joint ventures	<a href="#">2.17</a>	13.434	12.786	143.833	128.239
Other financial assets	<a href="#">2.18</a>	97	262	80	39
Deferred Tax asset	<a href="#">2.12</a>	5.021	773	2.998	0
Other long-term receivables	<a href="#">2.19</a>	3.194	5.411	45	112
<b>Total Non-Current Assets</b>		<b>349.261</b>	<b>355.578</b>	<b>227.568</b>	<b>224.500</b>
Inventories	<a href="#">2.21</a>	18.657	25.704	3.593	7.875
Trade and other short-term receivables	<a href="#">2.20</a>	130.198	151.403	105.177	125.516
Other financial assets	<a href="#">2.18</a>	13	14	0	0
Cash and cash equivalents	<a href="#">2.22</a>	107.339	99.984	8.338	7.959
<b>Total Current Assets</b>		<b>256.207</b>	<b>277.105</b>	<b>117.108</b>	<b>141.350</b>
<b>Assets held for sale <sup>1</sup></b>	<a href="#">2.31</a>	<b>0</b>	<b>16.167</b>	<b>0</b>	<b>5.528</b>
<b>TOTAL ASSETS</b>		<b>605.468</b>	<b>648.850</b>	<b>344.676</b>	<b>371.378</b>
<b>EQUITY AND LIABILITIES</b>					
Share capital	<a href="#">2.23</a>	45.679	47.089	45.679	47.089
Treasury shares	<a href="#">2.23</a>	-3.018	-8.528	-3.018	-8.528
Other reserves	<a href="#">2.23</a>	68.989	65.760	54.518	55.222
Foreign currency translation	<a href="#">2.23</a>	-96.854	-100.908	0	0
Retained earnings		-138.246	-223.232	-59.388	-83.974
Reserves from profit / (loss) recognized directly in other comprehensive income and are related to assets held for sale <sup>1</sup>		0	-644	0	0
<b>Total equity attributable to shareholders of the parent</b>		<b>-123.450</b>	<b>-220.463</b>	<b>37.791</b>	<b>9.809</b>
Non-Controlling Interest		7.985	3.698	0	0
<b>Total Equity</b>		<b>-115.465</b>	<b>-216.765</b>	<b>37.791</b>	<b>9.809</b>
Long term debt	<a href="#">2.25</a>	578.805	468.695	250.425	308.338
Staff retirement indemnities	<a href="#">2.26</a>	1.354	1.389	1.176	1.168
Other long-term provisions	<a href="#">2.31</a>	15.189	10.818	10.577	10.465
Deferred Tax liabilities	<a href="#">2.12</a>	1.468	5.443	0	4.044
Other long-term liabilities	<a href="#">2.28</a>	1.152	1.449	36	51
Long term lease liabilities	<a href="#">2.25</a>	9.179	7.469	519	1.193
<b>Total Non-Current Liabilities</b>		<b>607.147</b>	<b>495.263</b>	<b>262.733</b>	<b>325.260</b>
Trade and other short-term liabilities	<a href="#">2.29</a>	87.050	89.499	39.734	35.702
Short term debt and lease liabilities	<a href="#">2.25</a>	16.535	274.914	2.522	450
Income tax payable		5.571	3.387	1.856	0
Short term provision	<a href="#">2.31</a>	4.630	2.552	40	157
<b>Total Current Liabilities</b>		<b>113.786</b>	<b>370.352</b>	<b>44.152</b>	<b>36.309</b>
<b>TOTAL LIABILITIES</b>		<b>720.933</b>	<b>865.615</b>	<b>306.885</b>	<b>361.569</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>605.468</b>	<b>648.850</b>	<b>344.676</b>	<b>371.378</b>

<sup>1</sup> The activities of the associate company Intralot de Peru SAC are presented as assets held for sale pursuant to IFRS 5 (note [2.31.A.VIII](#)).

\*Restated due to change in accounting policy (note [2.1.4](#))

The primary financial statements should be read in conjunction with the accompanying notes.



## STATEMENT OF CHANGES IN EQUITY OF THE GROUP

STATEMENT OF CHANGES IN EQUITY INTRALOT GROUP (Amounts reported in thousands of €)	Share Capital	Treasury Shares	Legal Reserve	Other Reserves	Foreign exchange differences	Retained Earnings	Assets held for sale reserves <sup>1</sup>	Total	Non-Controlling Interest	Grand Total
Opening Balance as of January 1, 2021	47,089	-8,528	23,638	42,122	-100,908	-223,232	-644	-220,463	3,698	-216,765
Effect on retained earnings from previous years adjustments	0	0	0	0	0	42	0	42	-3	39
Period's results	0	0	0	0	0	17,461	0	17,461	6,031	23,491
Other comprehensive income / (expenses) after tax	0	0	0	-33	4,698	-2	0	4,663	-1,585	3,078
Dividends to equity holders of parent / non-controlling interest	0	0	0	0	0	0	0	0	-5,006	-5,006
Adjustment to net monetary position	0	0	70	0	0	197	0	267	267	534
Discontinued operations	0	0	0	0	-644	0	644	0	0	0
Cancellation of own shares	-1,410	4,618	0	0	0	-3,208	0	0	0	0
Sale of own shares	0	891	0	-765	0	0	0	126	0	126
Subsidiary disposal/liquidation	0	0	0	0	0	0	0	0	7,125	7,125
Effect due to change in participation	0	0	0	0	0	74,454	0	74,454	-2,542	71,912
Transfer between reserves	0	0	600	3,357	0	-3,957	0	0	0	0
Balances as December 31, 2021	45,679	-3,018	24,308	44,681	-96,854	-138,246	0	-123,450	7,985	-115,465

## STATEMENT OF CHANGES IN EQUITY INTRALOT GROUP

STATEMENT OF CHANGES IN EQUITY INTRALOT GROUP (Amounts reported in thousands of €)	Share Capital	Treasury Shares	Legal Reserve	Other Reserves Restated*	Foreign exchange differences	Retained Earnings Restated*	Assets held for sale reserves <sup>1</sup>	Total	Non-Controlling Interest	Grand Total
Opening Balance as of January 1, 2020	47,089	-8,528	25,040	42,252	-87,903	-111,321	0	-93,371	197	-93,174
Revaluation from reconsideration of IAS 19	0	0	0	10	0	1,976	0	1,986	0	1,986
Opening Balance as at 1 January 2020 after the revaluation from reconsideration of IAS 19	47,089	-8,528	25,040	42,262	-87,903	-109,345	0	-91,385	197	-91,188
Effect on retained earnings from previous years adjustments	0	0	0	0	0	137	0	137	-142	-5
Period's results	0	0	0	0	0	-106,043	0	-106,043	3,143	-102,900
Other comprehensive income / (expenses) after tax	0	0	0	-198	-13,650	-35	0	-13,883	-2,278	-16,161
Dividends to equity holders of parent / non-controlling interest	0	0	0	0	0	0	0	0	-8,875	-8,875
Subsidiary disposal/liquidation	0	0	0	0	0	0	0	0	5	5
Effect due to change in participation percentage	0	0	0	0	0	-9,364	0	-9,364	8,418	-946
Adjustment to net monetary position	0	0	41	0	0	35	0	76	76	152
Discontinued operations	0	0	0	0	644	0	-644	0	0	0
Intragroup debt assumption by non-controlling interest shareholder	0	0	0	0	0	0	0	0	3,152	3,152
Transfer between reserves	0	0	-1,443	60	0	1,383	0	0	0	0
Balances as December 31, 2020	47,089	-8,528	23,638	42,122	-100,908	-223,232	-644	-220,463	3,698	-216,765

<sup>1</sup> Reserves from profit / (loss) recognized directly in other comprehensive income and are related to assets held for sale (note 2.31.A.VIII). <sup>1</sup> The activities of Group subsidiaries and associates in Poland (Totolotek S.A.), in Bulgaria (Bilot EOOD, Eurofootball Ltd, Bilot Investment Ltd, Eurobet Ltd, Eurobet Trading Ltd, ICS S.A.), in Brazil (Intralot do Brazil Ltda, OLTP Ltda) and Peru (Intralot de Peru SAC) are presented as discontinued operations pursuant to IFRS5 (note 2.31.A.VIII).

\*Restated due to change in accounting policy (note 2.1.4)

The primary financial statements should be read in conjunction with the accompanying notes.



## STATEMENT OF CHANGES IN EQUITY OF THE COMPANY

STATEMENT OF CHANGES IN EQUITY INTRALOT S.A. (Amounts reported in thousands of €)	Share Capital	Treasury Shares	Legal Reserve	Other Reserves	Retained Earnings	Total
Opening Balance as of January 1, 2021	47,089	-8,528	15,896	39,326	-83,974	9,809
Period's results	0	0	0	0	27,795	27,795
Other comprehensive income / (expenses) after taxes	0	0	0	61	0	61
Cancellation of own shares	-1,410	4,618	0	0	-3,208	0
Sale of own shares	0	891	0	-765	0	126
<b>Balances as December 31 2021</b>	<b>45,679</b>	<b>-3,018</b>	<b>15,896</b>	<b>38,622</b>	<b>-59,388</b>	<b>37,791</b>
STATEMENT OF CHANGES IN EQUITY INTRALOT S.A. (Amounts reported in thousands of €)	Share Capital	Treasury Shares	Legal Reserve	Other Reserves Restated*	Retained Earnings Restated*	Total
Opening Balance as of January 1, 2020	47,089	-8,528	15,896	39,387	-45,261	48,583
Revaluation from reconsideration of IAS 19	0	0	0	4	1,779	1,783
Opening Balance as at 1 January 2020 after the revaluation from reconsideration of IAS 19	47,089	-8,528	15,896	39,391	-43,482	50,366
Period's results	0	0	0	0	-40,493	-40,493
Other comprehensive income / (expenses) after taxes	0	0	0	-63	0	-63
<b>Balances as December 31 2020</b>	<b>47,089</b>	<b>-8,528</b>	<b>15,896</b>	<b>39,326</b>	<b>-83,974</b>	<b>9,809</b>

\*Restated due to change in accounting policy (note 2.1.4)  
The primary financial statements should be read in conjunction with the accompanying notes.



## CASH FLOW STATEMENT OF THE GROUP/COMPANY

Amounts reported in thousands of € (total operations)	Notes	GROUP		COMPANY	
		1/1-31/12/2021	1/1-31/12/2020 Restated*	1/1-31/12/2021	1/1-31/12/2020 Restated*
<b>Operating activities</b>					
Profit / (loss) before tax from continuing operations		37.101	-91.870	24.041	-40.495
Profit / (loss) before tax from discontinued operations	<a href="#">2.31</a>	-7.892	-3.513	0	0
<b>Profit / (loss) before Taxation</b>		<b>29.209</b>	<b>-95.383</b>	<b>24.041</b>	<b>-40.495</b>
Plus / Less adjustments for:					
Depreciation and amortization	<a href="#">2.5</a>	71.231	68.686	13.850	14.643
Provisions		19.975	22.887	10.235	12.738
Results (income, expenses, gain and loss) from investing activities		-34.502	15.754	-65.777	-1.094
Interest and similar expenses	<a href="#">2.10</a>	60.964	50.008	23.913	20.570
Interest and similar income	<a href="#">2.10</a>	-47.386	-1.550	-5.765	-4.938
(Gain) / loss to net monetary position	<a href="#">2.34</a>	-595	-61	0	0
Reorganization expenses	<a href="#">2.1.27</a>	17.170	6.754	11.190	2.188
Plus / less adjustments for changes in working capital:					
Decrease / (increase) of inventories		-2.395	7.155	556	1.482
Decrease / (increase) of receivable accounts		23.168	-19.233	-7.342	-17.839
(Decrease) / increase of payable accounts (except banks)		-33.116	3.951	-1.336	-6.365
Income tax (paid)/received		3.840	-14.511	5.241	-9.468
<b>Total inflows / (outflows) from operating activities (a)</b>	<a href="#">2.31</a>	<b>107.563</b>	<b>44.457</b>	<b>8.806</b>	<b>-28.578</b>
<b>Investing Activities</b>					
(Purchases) / Sales of subsidiaries, associates, joint ventures and other investments	<a href="#">2.31</a>	10.295	-3.470	10.424	15.667
Purchases of tangible and intangible assets	<a href="#">2.14-2.16</a>	-23.184	-35.952	-2.578	-7.822
Proceeds from sales of tangible and intangible assets	<a href="#">2.14-2.16</a>	281	41	15	6
Interest received		2.077	2.153	4.131	1.688
Dividends received		1.210	3.441	5.511	3.203
<b>Total inflows / (outflows) from investing activities (b)</b>		<b>-9.322</b>	<b>-33.787</b>	<b>17.503</b>	<b>12.742</b>
<b>Financing Activities</b>					
Sale of own shares		126	0	126	0
Cash inflows from loans	<a href="#">2.25</a>	10.109	59.009	6.003	12.000
Repayment of loans	<a href="#">2.25</a>	-13.243	-67.442	-17.810	-1.789
Repayments of lease liabilities	<a href="#">2.25</a>	-3.422	-6.901	-361	-797
Interest and similar expenses paid	<a href="#">2.25</a>	-56.483	-45.941	-6.015	-1.535
Dividends paid		-6.479	-8.461	0	0
Reorganization expenses paid		-17.732	-6.754	-7.984	-68
<b>Total inflows / (outflows) from financing activities (c)</b>		<b>-87.125</b>	<b>-76.490</b>	<b>-26.040</b>	<b>7.811</b>
<b>Net increase / (decrease) in cash and cash equivalents for the period (a) + (b) + (c)</b>		<b>11.117</b>	<b>-65.821</b>	<b>269</b>	<b>-8.025</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<a href="#">2.22</a>	<b>99.984</b>	<b>171.114</b>	<b>7.959</b>	<b>16.172</b>
Net foreign exchange difference		-3.761	-5.310	111	-187
<b>Cash and cash equivalents at the end of the period from total operations</b>	<a href="#">2.22</a>	<b>107.339</b>	<b>99.984</b>	<b>8.338</b>	<b>7.959</b>

\*Restated due to change in accounting policy (note [2.1.4](#))

The primary financial statements should be read in conjunction with the accompanying notes.



## 1. GENERAL INFORMATION

INTRALOT S.A. – “Integrated Lottery Systems and Gaming Services”, with the distinct title «INTRALOT» is a business entity that was established based on the Laws of Hellenic Republic, whose shares are traded in the Athens Stock Exchange. Reference to «INTRALOT» or the «Company» includes INTRALOT S.A. whereas reference to the «Group» includes INTRALOT S.A. and its fully consolidated subsidiaries, unless otherwise stated. The Company was established in 1992 and has its registered office in 19 km, Markopoulou Ave., 19 002 Peania - Attica, Greece.

INTRALOT, a public listed company, is the leading supplier of integrated gaming and transaction processing systems, innovative game content, sports betting management and interactive gaming services to state-licensed gaming organizations worldwide. Its broad portfolio of products & services, its know-how of Lottery, Betting, Racing & Video Lottery operations and its leading-edge technology, give INTRALOT a competitive advantage, which contributes directly to customers’ efficiency, profitability and growth. With presence in 41 countries and states, with approximately 1.800 employees and revenues from continuing operations of €414 million for 2021, INTRALOT has established its presence on all 5 major continents.

The financial statements of the Group and the Company for the period ended December 31, 2021 were approved by the Board of Directors on April 8, 2022.

## 2. NOTES TO ANNUAL FINANCIAL STATEMENTS

### 2.1.1 Basis of preparation of the Financial Statements

The attached financial statements have been prepared on the historical cost basis, except for the financial assets measured at fair value through other comprehensive income and the derivative financial instruments that are measured at fair value, or at cost if the difference is not a significant amount, and on condition that the Company and the Group would continue as a going concern, as described below. The attached financial statements are presented in Euros and all values are rounded to the nearest thousand (€000) except if indicated otherwise.

#### Going concern

The Group maintains sufficient liquidity as to cover its cash needs in the near future. The recently completed exchange offers in relation to Facility A (“Notes 2021”) and Facility B (“Notes 2024”) were implemented in a consensual way, achieving extension of the Notes 2021 maturity until at least 2024 and without any changes in the 2024 SUNs indenture (face value of the Notes preserved), while securing significant deleverage through the debt-to-equity exchange. This deleverage will reduce the debt servicing cost substantially and will enhance the liquidity profile of the Group. In addition to this, apart from the New Notes that will be served directly from the US subsidiary, the indenture allows significant flexibility to the Group for cash upstreaming from the US to the Parent to serve cash needs up to a substantial weight. Equivalently important, the successful execution of the two transactions has triggered the upgrade of company’s CFR from rating agencies, which subsequently is expected to strengthen relationships with financing institutions and regain access to funds to allow the Group to implement its business plan and take advantage of new appealing opportunities both in the Lottery as well as in the Sports Betting markets.

In this field, the Management is continuously monitoring the cash flow of the Group and enhancing its efforts for further sales increase through operational improvements, while at the same time focusing on the cost reduction through operational efficiencies and development of synergies.

It should be noted that unlike 2020, when the COVID-19 pandemic affected adversely Group’s financial results as was the case in many other sectors, in 2021, governments have put a lot of effort into the fight against COVID-19 while the progress of vaccinations, especially in the developed world, allowed governments to loosen restriction



measures. Economic activity and consumer demand are picking up in most regions, but the uptake is uneven across industries.

The return to normalcy does not seem to be too far away, a fact that creates optimism for our Group.

However, the first quarter of this year was marked by a new threat after the war in Ukraine, which fueled a global energy crisis creating a significant uncertainty for the near future. The Group is not directly affected by this fact as it has absolutely no activity or any kind of dependence in the wider war zone, while also the nature of its activity is labor intensive and therefore is not directly affected by changes in energy prices. However, we can not ignore the risk of indirect effects on our business from the apparent decrease of consumer's household income due to inflation and rising prices for essential goods, which may result in a reduction of consumption in non-essential goods, such as entertainment including the gambling industry, but by the time the Financial Statements are prepared we have no indication that this is the case. In addition, the operational risks associated with the microenvironment and the gaming industry as described below, given the Group's current capital structure, could potentially adversely affect the Group's future plans.

The potential magnitude of the effects of the global energy crisis as well as the operational risks described above are constantly being assessed. Based on this evaluation and current cash position, substantial uncertainties remain in relation to future flows and assessments of the possibility of a smooth continuation of the activity (going concern).

Taking into consideration all the above, the Management has prepared a detailed business plan with expected cash flows until April 2023, based on which, the above-mentioned magnitude is being considered and carefully assessed. In any case, as described above, the Group maintains ability for cash upstreaming from the US to the Parent to serve additional cash needs up to a substantial degree.

In conclusion, taking into consideration the Expected Cash Flows' Plan and all available information of the foreseeable future, the Management estimates that the Group has ensured its going concern.

In view of the above, the Financial Statements of the Group were prepared on the basis of the going concern principle.

### **2.1.2 Statement of compliance**

These financial statements for the period ended December 31, 2021 have been prepared in accordance with International Financial Reporting Standards (I.F.R.S.), including the International Accounting Standards (IAS) and Interpretations issued by International Financial Reporting Interpretations Committee (IFRIC), that have been endorsed by the European Union as of December 31, 2021.

### **2.1.3 Financial Statements**

INTRALOT keeps its accounting books and records and prepares its financial statements in accordance with the International Financial Reporting Standards (IFRS), Law 4308/2014 chap. 2, 3 & 4 and current tax regulations and issues its financial statements in accordance with the International Financial Reporting Standards (IFRS).

INTRALOT's Greek subsidiaries keep their accounting books and records and prepare their financial statements in accordance with GAS (L.4308/2014), the International Financial Reporting Standards (IFRS) and current tax regulations. INTRALOT's foreign subsidiaries keep their accounting books and records and prepare their financial statements in accordance with the applicable laws and regulations in their respective countries. For the purpose of the consolidated financial statements, Group entities' financial statements are adjusted and prepared in relation to the requirements of the International Financial Reporting Standards (IFRS).

Differences that may occur between the items in the Financial Statements and of the corresponding items in the notes are due to rounding.

#### **2.1.4 Changes in accounting policies**

For the preparation of the financial statements of period ended December 31, 2021, the accounting policies adopted are consistent with those followed in the preparation of the most recent annual financial statements ([December 31, 2020](#)), except for the below mentioned adoption of new standards and interpretations applicable for fiscal periods beginning at January 1, 2021.

##### **Standards and Interpretations compulsory for the fiscal year 2021**

New standards, amendments of published standards and interpretations mandatory for accounting periods beginning on 1st January 2021. The Group's assessment of the impact of these new and amended standards and interpretations is set out below.

##### **IFRS 16 (Amendment) 'Covid-19-Related Rent Concessions'**

The amendment provides lessees (but not lessors) with relief in the form of an optional exemption from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for rent concessions in the same way as they would for changes which are not considered lease modifications.

The adoption of the above amendment did not have a significant impact on the Group's financial statements.

##### **IFRS 4 (Amendment) 'Extension of the Temporary Exemption from Applying IFRS 9'**

The amendment changes the fixed expiry date for the temporary exemption in IFRS 4 'Insurance Contracts' from applying IFRS 9 'Financial Instruments', so that entities would be required to apply IFRS 9 for annual periods beginning on or after 1 January 2023. This amendment did not affect Group financial statements.

##### **IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (Amendments) 'Interest rate benchmark reform – Phase 2'**

The amendments complement those issued in 2019 and focus on the effects on financial statements when a company replaces the old interest rate benchmark with an alternative benchmark rate as a result of the reform. More specifically, the amendments relate to how a company will account for changes in the contractual cash flows of financial instruments, how it will account for the change in its hedging relationships and the information it should disclose. These amendments do not affect Group financial statements significantly.

##### **IAS 19 (Employee Benefits) – "Attributing Benefits to Periods of Service"**

In May 2021, the International Financial Reporting Interpretations Committee ("the Committee") issued the final agenda decision under the title "Attributing Benefits to Periods of Service" (IAS 19), which includes explanatory material regarding the way of distribution of benefits in periods of service following a specific defined benefit plan proportionate to that defined in Article 8 of Law 3198/1955 regarding provision of compensation due to retirement (the "Labor Law Defined Benefit Plan"). The Group has applied this amendment as of 31/12/2021. The impact on the annual financial statements of the Group and the Entity for the year ending December 31, 2021 is described in the Note [2.26](#).

##### **Standards and Interpretations compulsory after December 31, 2021**

The following new standards, amendments and IFRICs have been published but are in effect for the annual fiscal period beginning the 1st of January 2022, but their application has not started yet or they have not been adopted by the European Union and have not been adopted from the Group earlier.

##### **IFRS 17 'Insurance contracts' and Amendments to IFRS 17**

effective for annual periods beginning on or after 1 January 2023



IFRS 17 has been issued in May 2017 and, along with the Amendments to IFRS 17 issued in June 2020, supersedes IFRS 4. IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the Standard and its objective is to ensure that an entity provides relevant information that faithfully represents those contracts. The new standard solves the comparison problems created by IFRS 4 by requiring all insurance contracts to be accounted for in a consistent manner. Insurance obligations will be accounted for using current values instead of historical cost. This amendment does not affect Group financial statements.

**IAS 16 (Amendment) 'Property, Plant and Equipment – Proceeds before Intended Use'**

effective for annual periods beginning on or after 1 January 2022

The amendment prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also requires entities to separately disclose the amounts of proceeds and costs relating to such items produced that are not an output of the entity's ordinary activities. The adoption of the above amendment did not have a significant impact on the Group's financial statements.

**IAS 37 (Amendment) 'Onerous Contracts – Cost of Fulfilling a Contract'**

Effective for annual periods beginning on or after 1 January 2022

The amendment clarifies that 'costs to fulfil a contract' comprise the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts. The amendment also clarifies that, before a separate provision for an onerous contract is established, an entity recognizes any impairment loss that has occurred on assets used in fulfilling the contract, rather than on assets dedicated to that contract.

The Group will examine the potential impact of this amendment in its financial statements.

**IFRS 3 (Amendment) 'Reference to the Conceptual Framework'**

effective for annual periods beginning on or after 1 January 2022

The amendment updated the standard to refer to the 2018 Conceptual Framework for Financial Reporting, in order to determine what constitutes an asset or a liability in a business combination. In addition, an exception was added for some types of liabilities and contingent liabilities acquired in a business combination. Finally, it is clarified that the acquirer should not recognize contingent assets, as defined in IAS 37, at the acquisition date.

The Group will examine the potential impact of this amendment in its financial statements.

**IAS 1 (Amendment) 'Classification of liabilities as current or non-current'**

effective for annual periods beginning on or after 1 January 2023

The amendment clarifies that liabilities are classified as either current or non-current depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date. The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability. The Group will assess the impact of the amendment on its financial statements. These amendments have not yet been endorsed by the European Union.

**IAS 1 (Amendments) 'Presentation of Financial Statements' and IFRS Practice Statement 2 'Disclosure of Accounting policies'**

effective for annual periods beginning on or after 1 January 2023

The amendments require companies to disclose their material accounting policy information and provide guidance on how to apply the concept of materiality to accounting policy disclosures. The Group will assess the impact of the amendment on its financial statements.

**IAS 8 (Amendments) 'Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates'**

effective for annual periods beginning on or after 1 January 2023

The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates.

The Group will assess the impact of the amendment on its financial statements.

**IAS 12 (Amendments) 'Deferred tax related to Assets and Liabilities arising from a Single Transaction'**

effective for annual periods beginning on or after 1 January 2023

The amendments require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. This will typically apply to transactions such as leases for the lessee and decommissioning obligations. The Group will assess the impact of the amendment on its financial statements. These amendments have not yet been endorsed by the European Union.

**IFRS 17 (Amendment) 'Initial Application of IFRS 17 and IFRS 9 – Comparative Information'**

effective for annual periods beginning on or after 1 January 2023

The amendment is a transition option relating to comparative information about financial assets presented on initial application of IFRS 17. The amendment is aimed at helping entities to avoid temporary accounting mismatches between financial assets and insurance contract liabilities, and therefore improve the usefulness of comparative information for users of financial statements. This amendment does not affect Group financial statements. This amendment has not yet been endorsed by the European Union.

**Annual Improvements to IFRS Standards 2018–2020**

Annual Improvements 2018-2020 make minor amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples accompanying IFRS 16 Leases. The Group will examine the impact of the above on its financial statements.

**2.1.5 Basis of Consolidation**

The consolidated financial statements comprise the financial statements of INTRALOT S.A. and its subsidiaries as at the end of each reporting period. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

Adjustments are made to bring in line any dissimilar accounting policies that may have existed. All intercompany balances and transactions, including unrealized profits arising from intra-group transactions, have been eliminated in full. Unrealized losses are eliminated unless costs cannot be recovered.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect the amount of its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group



obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statements of comprehensive income and financial position from the date the Group gains control until the date the Group ceases to control the subsidiary.

Changes in a parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners).

Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

If the Group loses control over a subsidiary, it:

- derecognizes the assets (including goodwill) and liabilities of the subsidiary,
- derecognizes the carrying amount of any non-controlling interests in the former subsidiary (including any components of other comprehensive income attributable to them),
- derecognizes the cumulative translation differences that have been recorded in equity,
- recognizes the fair value of the consideration received from the transaction,
- recognizes any investment retained in the former subsidiary at its fair value at the date when control is lost,
- reclassifies to profit or loss, (or transfers directly to retained earnings if required in accordance with other IFRSs), the amounts that have been recorded in the parent's share of other comprehensive income,
- recognizes any resulting difference as a gain or loss in profit or loss.

Where there is a loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting year during which the Group has control.

### **2.1.6 Business combination and goodwill**

#### **a) Subsidiaries**

Subsidiaries are entities that are controlled by the Group. Subsidiaries are consolidated using the acquisition method according to IFRS 3. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each subsidiary acquired, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included to income statement.

At the acquisition date, the Group classifies or designates the identifiable assets acquired and liabilities assumed on the basis of the contractual terms, economic conditions, its operating or accounting policies and other pertinent conditions as they exist at the acquisition date.

In a business combination achieved in stages, the Group remeasures its previously held equity interest in the acquiree at its acquisition-date fair value and recognizes the resulting gain or loss in profit or loss. In prior reporting periods, the Group may have recognized changes in the value of its equity interest in the acquiree in other comprehensive income (i.e. due to the fact that the investment has been classified as available for sale). If so, the amount that was recognized in other comprehensive income shall be recognized on the same basis as would be required if the Group had disposed directly of the previously held equity interest.

The Group recognizes any contingent consideration at the fair value, at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or a liability will be recognized in accordance with IFRS 9 either in income statement or as a change in other comprehensive income. If the contingent consideration is not within the scope of IFRS 9, it is measured in accordance with the appropriate

IFRS. If the contingent consideration is classified as equity, it shall not be remeasured until it is finally settled within equity.

Goodwill in a business acquisition is initially measured at cost being the excess of the consideration transferred, the amount recognized for non-controlling interests and any previous interest held, over the net fair value of the identifiable assets acquired and liabilities assumed of the acquiree. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in profit or loss. Any goodwill arising on the acquisition of a foreign subsidiary and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate accordingly.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Based on IFRS 3 "Business combinations", Goodwill is not amortized. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Impairment is determined by assessing the recoverable amount of the cash-generating unit, to which the goodwill relates. Where recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognized.

Where goodwill forms part of a cash generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Any impairment losses that have been recognized for goodwill, will not be reversed in future periods.

Investments in subsidiaries are stated in the individual statement of financial position of the Company at their cost less any impairment in value.

#### **b) Investment in associates and joint ventures**

Associates are entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investments in associates and joint ventures are accounted for using the equity method.

Under this method, investments in associates or joint ventures are carried in the statement of financial position at cost plus post acquisition changes in the Group's share of net assets of the associate or joint venture. Goodwill



relating to the associate or joint venture is included in the carrying amount of the investment and is neither amortized nor individually tested for impairment.

The income statement reflects the Group's share of the post-acquisition associate's or joint venture's results after taxes and non-controlling interests of the associate's or joint venture's subsidiaries. Any change in other comprehensive income of those investees is presented as part of the Group's other comprehensive income. Also, the Group's share of the changes in associates' or joint ventures' equity is directly recognized to the consolidated statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

If an associate or joint venture uses accounting policies other than those of the Group for similar transactions and events in similar circumstances, adjustments are made to the associate's or joint venture's financial statements so as to apply the equity method.

The financial statements of associates or joint ventures are prepared for the same reporting period as the parent company.

If the Group's share of losses of an associate or joint venture equals or exceeds its interest in the associate or joint venture, the Group discontinues recognizing its share of further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

After application of the equity method, the Group applies the requirements of the relative IFRSs to determine whether it is necessary to recognize any additional impairment loss with respect to its net investment in the associate or joint venture. The Group incurs impairment test at the end of each reporting period comparing the recoverable amount of the investment in associate or joint venture to its carrying value and recognizes the difference in the income statement of the period.

The Group discontinues the use of the equity method from the date when it ceases to have significant influence over an associate or joint control over a joint venture and accounts for the investment in accordance with IFRS 9 measuring the investment at fair value. Any difference between the carrying amount and the fair value of the investment in associate or joint venture is recognized in the income statement of the period.

Investments in associates or joint venture are stated in the statement of financial position of the Company at their cost less any impairment in value.

#### **2.1.7 Foreign Currency Translation**

The functional and presentation currency of [INTRALOT S.A.](#) and its subsidiaries which are located in [Greece](#) is the euro (€). The Group's consolidated financial statements are presented in euros. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

##### **a) Transactions and balances**

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rates of exchange at the reporting date.

All resulting differences are taken to the consolidated income statement with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to Other Comprehensive Income until the disposal of the net investment, at which time they are

recognized in the consolidated income statement. Tax charges and credits attributable to exchange differences on those borrowings are also dealt with in Other Comprehensive Income.

Exchange differences resulting from financial assets and liabilities (intragroup loans and long term non trade receivables/payables for which settlement is neither planned nor likely to occur in the foreseeable future) that has been classified as part of an entity's net investment in a subsidiary with foreign operations, are recognized in income statement in the separate financial statements of the entity or/and subsidiary. In the consolidated financial statements, the above exchange differences are recognized in other comprehensive income and included in the exchange differences reserve. When the settlement of the above financial assets and liabilities is planned or likely to occur in the foreseeable future, cumulative exchange differences in reserves are reclassified in consolidated income statement since the financial assets and liabilities cease to be part of an entity's net investment in a subsidiary with foreign operations. The same accounting treatment of reclassification applied on the subsidiary disposal.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in other comprehensive income or profit or loss are also recognized in other comprehensive income or profit or loss, respectively).

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

**b) Group companies**

The functional currency of the overseas subsidiaries is the currency of the country in which these subsidiaries are located and operate. As at the reporting date, the assets and liabilities of these overseas subsidiaries are translated into the presentation currency of INTRALOT S.A. at the rate of exchange ruling at the reporting date and, their statements of comprehensive income are translated at the weighted average exchange rates for the year. The resulting exchange differences arising on the retranslation are taken directly to a separate component of Other Comprehensive Income. On disposal of a foreign entity, the deferred cumulative amount recognized in Other Comprehensive Income relating to that particular foreign operation shall be transferred to the income statement.

**2.1.8 Tangible assets**

Tangible assets are stated at cost less accumulated depreciation and any impairment in value. Such cost includes the cost of replacing the tangible assets and borrowing costs for long-term construction assets if the recognition criteria are met.

Depreciation is calculated on a straight-line basis over the useful life of the asset as follows:

• Buildings (owned)	20 to 30 years
• Installations on third party property	Over the duration of the lease but not less than 5% per annum
• Installations and Equipment	5 to 15 years
• Machinery and Equipment	4 to 10 years



• Computer Hardware	20% to 30% per annum
• Transportation Equipment-Motor vehicles	7 years or 15% per annum
• Transportation Equipment-Trucks etc...	5 years or 20% per annum

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the year the item is derecognized. The assets' residual values and useful lives are reviewed at each financial year end, and adjusted prospectively, if appropriate.

As regards hardware and software leased under operating lease, these assets, in the group statement of financial position are disclosed in acquisition cost values and are depreciated using the straight line method and according to the lower period between the useful life and the contract life, taking also into account their residual value at the end of the relative contract life as well as the collecting cost. In case of the respective contract's renewal the assets' remaining net book value is depreciated according to the renewed contract life.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The recoverable amount is the greater of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using an after-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for public traded companies or other available fair value indicators. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in the income statement.

#### 2.1.9 Borrowing costs

Since January 1, 2009, borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

#### 2.1.10 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at historical cost less provisions for depreciation and impairment. Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition. Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the carrying amount at the date of change in use. If owner-occupied property becomes an investment property, the Group

accounts for such property in accordance with the policy stated under tangible assets up to the date of change in use.

### 2.1.11 Intangible assets

Intangible assets acquired individually, are capitalized at cost and those acquired through a business combination at fair values at the acquisition date. After initial recognition, intangibles are valued at cost less accumulated amortization and any impairment in value. Useful lives of these intangibles are assessed to be either finite or indefinite. Intangibles with finite useful lives are amortized as follows:

<ul style="list-style-type: none"> <li>• Software platforms</li> <li>• Central operating software</li> <li>• Central Network software</li> <li>• Licenses</li> <li>• Rights</li> </ul>	Over the duration of the longest contract
<ul style="list-style-type: none"> <li>• Other software</li> </ul>	3 to 5 years

Central operating systems used for several projects are amortized over their expected useful life, up to 20 years. The expected useful life is determined by reference to the longest duration of the relevant contracts and the Intralot Group's renewal track record in respect of such contract. Software that does not fall within the scope of particular contracts, is amortized at the expected useful life.

Amortization of finite life intangibles is recognized as an expense in the income statement apportioned to the related cost centers. Intangible assets with indefinite useful life are not amortized, but are tested for impairment annually, either individually or at the cash generating unit level.

Intangibles, except development costs, internally generated are not capitalized and the costs are included in the income statement in the year they are incurred.

The carrying values of intangible assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the intangible assets or cash-generating units are written down to their recoverable amount. The recoverable amount is the greater of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using an after-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the intangible asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for public traded companies or other available fair value indicators. For an intangible asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the intangible asset belongs. Impairment losses are recognized in the income statement.

Useful lives are also assessed annually and any revisions do not have retrospective application.

Gains or losses arising from derecognition of an intangible asset (that are measured as the difference between the net disposal proceeds and the carrying amount of the asset) are recognized in the income statement when the asset is derecognized.

### Research and Development Costs

Research costs are expensed as incurred. Development expenditure incurred by individual project is capitalized if, and only if, the Group can demonstrate all of the following:



- (a) the technical feasibility of completing the intangible asset so that it will be available for use or sale
- (b) its intention to complete the intangible asset and use or sell it
- (c) its ability to use or sell the intangible asset
- (d) how the intangible asset will generate probable future economic benefits
- (e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset
- (f) its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Following the initial recognition of the development expenditure, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the capitalized development expenditure begins when development is complete and the asset is available for use. Any expenditure capitalized is amortized over the period of expected future sales from the related project. The carrying value of development costs is reviewed for impairment annually when the asset is not yet in use, or more frequently when an indicator of impairment arises during the reporting year indicates that the carrying value may not be recoverable.

### **2.1.12 Financial instruments**

#### **2.1.12.I Financial assets**

##### **(a) Recognition and measurement of financial assets**

The Group recognizes a financial asset in its statement of financial position when, and only when, it becomes a party to the contractual provisions of the instrument. The Group initially recognizes trade and other receivables on the date of transaction. At initial recognition, under IFRS 9, all financial assets, except for certain trade receivables, are recognized initially at their fair value plus transaction costs (except financial assets measured at Fair Value through Profit or Loss, where transaction costs are expensed).

##### **(b) Classification of non-derivative financial assets**

###### **i) Debt financial instruments**

Debt financial instruments within the scope of IFRS 9 are classified according to: (i) the Group's business model for managing the assets, and (ii) whether the instruments' contractual cash flows on specified dates represent "solely payments of principal and interest" on the principal amount outstanding (the "SPPI criterion"), in the below three categories:

- Debt instruments at amortized cost,
- Debt instruments at Fair Value through Other Comprehensive Income ("FVOCI"), and
- Debt instruments at Fair Value through Profit or Loss ("FVPL").

The subsequent measurement of debt financial instruments depends on their classification as follows:

###### **Debt instruments at amortized cost:**

Include financial assets that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the SPPI criterion. After initial measurement these debt instruments are measured at amortized cost using the effective interest method. Gains or losses arising from derecognition and impairment recognized in the income statement as finance costs or income, as well as the EIR income through the amortization process. This category includes Group's "Trade and other short-term receivables", "Other long-term receivables" and Bonds that meet the above criteria and included in "Other financial assets".

#### **Debt instruments at FVOCI:**

Include financial assets that are held within a business model with the objective both to collect contractual cash flows and to sell the financial assets, and meet the SPPI criterion. After initial measurement these debt instruments are measured at fair value with unrealized gains or losses recognized as other comprehensive income in revaluation reserve. When the assets are sold, derecognized or impaired the cumulative gains or losses are transferred from the relative reserve to the income statement of the period. Interest income calculated using the effective interest method, foreign exchange gains or losses and impairment are recognized in income statement.

#### **Debt instruments at FVPL:**

Include financial assets that are not classified to the two above categories because cash flow characteristics fail the SPPI criterion or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell. After initial measurement these debt instruments are measured at fair value with unrealized gains or losses, including any interest income, recognized in income statement as financial income or expenses respectively.

#### **ii) Equity financial instruments**

Equity financial instruments within the scope of IFRS 9 are classified according to the Group's intention to hold or not for the foreseeable future and its election at initial recognition to classify at FVOCI or not, in the below two categories:

- Equity instruments at FVOCI, and
- Equity instruments at FVPL.

The subsequent measurement of equity financial instruments depends on their classification as follows:

#### **Equity instruments at FVOCI:**

Include financial assets, which the Group intends to hold for the foreseeable future ("Not held for sale") and which the Group has irrevocably elected at initial recognition to classify at FVOCI. This election is made on an investment-by-investment basis. After initial measurement these financial assets are measured at fair value with unrealized gains or losses recognized as other comprehensive income in revaluation reserve. When the assets are sold or derecognized the cumulative gains or losses are transferred from the relative reserve to retained earnings (no recycling to income statement of the period). Equity instruments at FVOCI are not subject to an impairment assessment under IFRS 9. Dividends are recognized as "finance income" in income statement, unless the dividend clearly represents a recovery part of the cost of the investment.

#### **Equity instruments at FVPL:**

Include financial assets, which the Group has not irrevocably elected at initial recognition to classify at FVOCI. After initial measurement these equity instruments are measured at fair value with unrealized gains or losses, including any interest or dividend income, recognized in income statement as financial income or expenses respectively.

#### **(c) Derecognition of financial assets**

The Group ceases recognizing a financial asset when and only when:

- the contractual rights to the cash flows from the financial asset expire or



- the Group has transferred its contractual right to receive cash flows from an asset, or retains this right to receive cash flows from an asset but has assumed a contractual obligation to pay the cash flows to a third or more parties, or has transferred substantially all risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred the control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has assumed a contractual obligation to pay the cash flows to a third or more parties, but in parallel has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset.

When the Group's continuing involvement takes the form of a guarantee over the transferred asset, the extent of continuing involvement is measured at the lower of the carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay ("the guarantee amount"). When the entity's continuing involvement takes the form of a written or purchased option (or both) on the transferred asset (including cash-settled options), the extent of the entity's continuing involvement is the amount of the transferred asset that the Group may repurchase. However, in case of a written put option on an asset that is measured at fair value, the extent of the continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise.

#### (d) Impairment of financial assets

IFRS 9 requires the Group to recognize loss allowance for Expected Credit Losses ("ECLs") on:

- Debt instruments at amortized cost,
- Debt instruments at FVOCI, and
- Contract assets (as defined in IFRS 15).

ECLs are a probability-weighted estimate of credit losses and are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective rate.

Under IFRS 9, loss allowances will be measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The Group applies the general model for recognizing expected credit losses rather than the simplified approach based on the relevant exemption provided by IFRS 9 due to the wide dispersion of its activities both geographically and due to the nature of the activities and the different characteristics of the counterparties (from small local gambling agencies to large state lotteries and other gambling organizations).

This model follows a three-step approach to credit risk grading:

Stage 1: Performing financial assets without credit risk deterioration:

This stage includes financial assets whose credit risk has not deteriorated significantly since initial recognition or which have a low credit risk at the reporting date. Expected credit losses are calculated and recognized for the period of the next 12 months.

Stage 2: Performing financial assets with credit risk deterioration:

This stage includes financial assets whose credit risk has deteriorated significantly since initial recognition (unless they have a low credit risk at the reporting date) but there is no objective evidence of impairment. Expected credit losses are calculated and recognized for the full life of the financial asset.

Stage 3: Non-performing financial assets:

This stage includes financial assets for which there is objective evidence of impairment at the reporting date. Expected credit losses are calculated and recognized for the full life of the financial asset.

For "Trade and other short term receivables", "Other long term receivables" and "Contract assets" (as defined in IFRS 15), the Group calculates the ECLs according to the stage of each of them, examining them on a standalone basis.

For other debt financial assets (i.e. debt instruments at FVOCI) that are determined to have low credit risk, ECL is based on 12-months ECL approach. However, when there has been a significant increase in credit risk since initial recognition, the allowance will be based on the lifetime ECL approach.

A key factor in recognizing expected credit losses over the life of a financial asset or over the next twelve months, is the credit risk significant deterioration after initial recognition or not, compared to the corresponding credit risk at the initial recognition of the financial asset.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information. IFRS 9 makes a presumption that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due. However, this presumption can be rebut if there are reasonable and supportable information that is available without undue cost or effort, that demonstrates that the credit risk has not increased significantly since initial recognition even though the contractual payments are more than 30 days due.

The Group considers a financial asset to be in default when the borrower/debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security, collateral, mortgage, etc. Objective presumption for a credit-impaired financial asset, is the delay in collection over the days set as a threshold for each of them (examining them on standalone basis). The range of days that have been set as a threshold for the Group ranges between 30 and 210.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

The three components of the calculation model of ECLs are as follows:

- Exposure at default ("EAD"): which represents the amount of the Group's exposure at the reporting date.
- Probability of default ("PD"): an estimate of the probability of default based on historical data, assumptions and future estimates. The probability arises for each of the counterparties initially calculating the DSOs (Days Sales Outstanding), which are then compared to the threshold set for that counterparty to determine whether it is at default or not, and then weighted on the basis of its value weight and exponential time factors.



- Loss given default (“LGD”): which represents the estimate of the loss that will occur on the default date. For the calculation of the loss due to default, any collaterals/securities held by the Group are taken into account.

The Group's held collaterals/securities for trade receivables at the reporting date relate to cash, as well as to mortgages on property.

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit impaired. A financial asset is “credit impaired” when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit impaired includes the following observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract, such as a default or past due event;
- the lender, for economic or contractual reasons relating to the borrower’s financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization;
- the disappearance of an active market for a financial asset because of financial difficulties; and
- the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt instrument at FVOCI, the loss allowance is charged to profit or loss and is recognized in Other Comprehensive Income.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group’s procedures for recovery of amounts due.

#### **2.1.12.II Non-derivative financial liabilities**

Financial liabilities include trade and other liabilities, bank overdrafts, loans and borrowings, as well as financial guarantee contracts.

##### **(a) Recognition and measurement of financial liabilities**

The Group recognizes a financial liability in its statement of financial position when, and only when, it becomes a party to the contractual provisions of the instrument. At initial recognition, financial liabilities are recognized at fair value and in case of loans and borrowings, less directly attributable transaction costs.

##### **(b) Classification of non-derivative financial liabilities**

After the initial measurement, the financial liabilities are measured as follows:

##### **Financial liabilities measured at amortized cost:**

All interest-bearing loans and borrowings are initially measured at fair value less transaction cost directly attributable to the issuance of the financial liability. Subsequently are measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any issue costs, and any discount

or premium on settlement. Gains and losses are recognized in the income statement when the liabilities are derecognized or impaired, as well as through the amortization process.

**Financial liabilities at fair value through profit or loss:**

Include financial liabilities held for trading, that are acquired or incurred principally for the purpose of selling or repurchasing it in the near term, are part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Such liabilities are measured at fair value and gains or losses from the measurement at fair value are recognized in the income statement.

**Financial guarantee contracts:**

Include contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. These contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently are measured at the higher of the amount determined in accordance with IAS 37 and the amount initially recognized less, when appropriate, cumulative amortization recognized in accordance with IFRS 15.

**(c) Derecognition of financial liabilities**

Financial liabilities are derecognized when the obligation is cancelled, extinguished or not exists anymore. In the case that an existing liability is replaced by another from the same borrower but under substantially different terms, or in case that there are substantial changes in terms of an existing liability, then the initial financial liability is derecognized and a new liability recognized, and the resulting difference between balances is recognized in the income statement.

**2.1.12.III Offsetting of financial instruments**

The financial instruments are offset when the Group, according to law, has this legal right and there is an intention to settle them on a net basis (among them) or to realize the asset and settle the liability simultaneously.

**2.1.12.IV Derivative financial instruments and hedge accounting**

The Group uses derivative financial instruments such as forward currency contracts, interest rate swaps, currency swaps and other derivatives in order to hedge risks related to interest rates and foreign currency fluctuations.

Such derivative financial instruments are measured at fair value at each reporting date. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The fair value of these derivatives is mainly measured by reference of the market value and is verified by the financial institutions.

For the purpose of hedge accounting, derivative financial instruments are classified as:

- **fair value hedge:** hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment
- **cash flow hedge:** hedging the exposure to variability in cash flows that is either attributable to particular risk associated with a recognized asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction
- **hedge of a net investment in a foreign operation.**



At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

**Hedge accounting:**

**Fair value hedge:**

Gains or losses from subsequent measurement of the hedging instrument at fair value are recognized in the income statement as finance income/expenses (or other comprehensive income, if the hedging instrument hedges an equity instrument for which the Group has elected to present changes in FVOCI).

**Cash flow hedge:**

The effective portion of the gain or loss on the hedging instrument is recognized directly as other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognized immediately in the income statement as finance income/expenses.

Amounts recognized as other comprehensive income are transferred to the income statement in the same period or periods during which the asset acquired or liability assumed affects profit or loss (such as in the periods when the hedged financial income or financial expense is recognized or when a forecast sale occurs).

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve and the cost of hedging reserve remains in equity until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to income statement in the same period or periods as the hedged expected future cash flows affect income statement.

If the forecast transaction or firm commitment is no longer expected to occur, the cumulative gain or loss previously recognized in other comprehensive income are transferred to the income statement.

**Hedge of a net investment in a foreign operation:**

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognized as other comprehensive income while any gains or losses relating to the ineffective portion are recognized in the income statement. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in other comprehensive income is transferred to the income statement.

**2.1.12.V Fair value of financial instruments**

For investments that are actively traded in organized markets, fair values are determined in relation to the closing traded values at the reporting date. For investments where there is no quoted market price, fair value is determined by reference to the current market value of another item substantially similar, or is estimated based

on the expected cash flows of the underlying net asset that consists the base of the investment or on acquisition cost.

#### **2.1.13 Inventories**

Inventories are valued at the lower of cost and net realizable value. Cost is determined using the weighted average method. Net realizable value is the estimated selling price in the ordinary course of business of the Group, less the estimated costs necessary to make the sale. Provisions for impairment of the inventories value are recorded when it is needed and recognized in the income statement.

#### **2.1.14 Trade and other short-term receivables**

Trade receivables are recognized and carried at original invoice amount less an allowance for doubtful provisions, that are estimated according to IFRS 9.

When the inflow of cash or cash equivalents arising from goods sale or services rendering is deferred, the fair value of the consideration may be less than the nominal amount of cash received or receivable. When the arrangement effectively constitutes a finance transaction, the fair value of the consideration is determined by discounting all future receipts using the prevailing interest rate for a similar instrument of an issuer with a similar credit rating. The difference between the fair value and the nominal amount of the consideration is recognized as interest revenue in the future periods, in accordance with IFRS 9.

#### **2.1.15 Cash and Cash Equivalents**

Cash and cash equivalents in the statement of financial position include cash at bank, short-term deposits and cash in hand along with other high liquidity investments that are subject to an insignificant risk of changes in value and have an original maturity of three months or less.

Bank overdrafts are included in the short-term bank loans in the statement of financial position. Also, cheques payables that have not been paid at the reporting date are included in short-term liabilities.

For cash flow statement purposes, cash and cash equivalents include what is defined above, without the netting of outstanding bank overdrafts.

#### **2.1.16 Long Term Liabilities**

All long-term liabilities are initially recognized at cost. Following initial recognition, liabilities that are denominated in foreign currency are valued at the closing exchange rate of each reporting date. Any interest expenses are recognized on an accruals basis.

#### **2.1.17 Provisions and Contingent Liabilities**

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain the expense relating to any provision is presented in the income statement net of any reimbursement. Provisions are re-examined at the reporting date and are adjusted so as to represent the present value of the expense that will be needed to settle the liability. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at an after-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a borrowing cost.



Contingent liabilities are not recognized in the financial statements but are disclosed, except if the probability of a potential outflow of funds embodying economic benefits is remote. Contingent assets are not recognized but are disclosed when the probability of a cash inflow is probable.

Provisions are recognized on each financial statements date (and interim) based on the best and reliable estimate for potential excess of cost (payments to winners) in games with predetermined odds, as this is provided by the contracts between the company and the clients. The provision amount arising from this calculation is recognized and booked as an expense.

### **2.1.18 Leases**

#### **Entity of the Group as lessee:**

##### **➤ Right-of-use assets**

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

##### **➤ Lease liabilities**

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

##### **➤ Short-term leases and leases of low-value assets**

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value (i.e., below USD5.000). Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

#### **Entity of the Group as Lessor:**

In cases of hardware and software leasing through operating lease, these assets are included in the Group's tangible assets. The lease income that occurs is recognized on a straight-line basis through the contract period. When fixed assets are leased through financial leasing, the present value of the lease is recognized as a receivable. The difference between the gross amount of the receivable and its present value is registered as a deferred financial income. The income from the lease is recognized in the period's income statement during the lease using the net investment method, which represents a constant periodic return.

#### **2.1.19 Share capital – Treasury shares**

Share capital includes common and preference shares without voting right, which have been issued and being traded. Share premium reserve includes the excess of the shares par value received consideration. Any costs directly attributable to the issue of new shares are shown as a deduction in share premium reserve.

Treasury shares represent shares of the parent company held by the Group. Treasury shares are stated at cost and are deducted from Equity. Upon acquisition, disposal, issuance or cancellation of treasury shares, no gain or loss is recognized in the income statement. The consideration given or received and the related gains or losses from the settlement are recognized directly in Equity.

#### **2.1.20 Share Based Payments**

IFRS 2 "Share-based Payment" requires an expense to be recognized where the Group buys goods and services in exchange for shares ("equity-settled transactions") or rights over shares (stock options), or in exchange for other assets equivalent in value to a given number of shares or rights over shares ("cash-settled transactions"). The Group provides stock options to executives and employees. The fair value of the executives and employees, who receive these stock options, is recognized according to IFRS 2 as expenditure in the income statement, with a respective increase of equity, during the period that these services are received and the options provided. The estimation of the total amount of the stock options expenditure during the vesting period is based on the provided stock options fair value at the grant date. The stock options fair value is measured using the proper valuation model depending on the terms of each program, taking into account the proper data such as volatility, discounting factor and dividend yield. Detailed information about the relative stock option programs of the Company included in note [2.27](#).

Any outstanding stock options during the reporting period are taken into account for the calculation of the diluted earnings per share.

#### **2.1.21 Staff Retirement Indemnities**

Staff retirement indemnities are measured at the present value of the defined benefit obligations at the reporting date, through the recognition of the employees' right to benefits based on years of service over their expected working life. The above liabilities are calculated using financial and actuarial assumptions and are determined based on an actuarial valuation method (Projected Unit Credit Method). The net pension costs for the period are included in the accompanying statement of comprehensive income and consists of the present value of the benefits earned during the year, interest cost on the benefit liability, past service cost and any other additional pension costs that are recognized within staff costs in income statement, and the actuarial gains or losses that are fully recognized when they occur, in other comprehensive income without future reclassification in income statement. Total past service costs are recognized in income statement at the earlier of when the amendment



occurs or when the Group recognizes the related restructuring or termination costs. The Company's pension benefit schemes are not funded.

During 2021, Group changed its accounting policy after International's Financial Reporting Interpretations Committee ("the Committee") issued the final agenda decision under the title "Attributing Benefits to Periods of Service" (IAS 19), which includes explanatory material regarding the way of distribution of benefits in periods of service following a specific defined benefit plan proportionate to that defined in Article 8 of Law 3198/1955 regarding provision of compensation due to retirement (the "Labor Law Defined Benefit Plan"). In particular, the aforementioned final decision of the Committee's agenda provides explanatory information on the application of the basic principles and regulations of IAS 19 in respect of the distribution of benefits in periods of service similar to that of the Labor Law Defined Benefit Plan. This explanatory information differentiates the way in which the basic principles and regulations of IAS 19 have been applied in Greece in the previous years. The implementation of this final decision results in the distribution of benefits for the last 16 years until the date of retirement of employees in accordance with the applicable legal framework. Based on the above, the Company applied the new accounting policy with retroactive application in accordance with the provisions of IAS 8. In note [2.26](#) below describes the impact of the change in accounting policy on the financial figures of the Company and the Group.

#### **2.1.22 State Insurance Programs**

The Company employees are covered by the main State Insurance Organization for the private sector (IKA) that provides pension and medical benefits.

Each employee is obliged to contribute a percentage of the monthly salary to IKA while part of the total contribution is covered by the Company. On retirement, IKA is responsible for the payment of pensions to employees. Consequently, the Company does not have any legal or constructive obligation for the payment of future benefits based on this scheme.

#### **2.1.23 Revenue recognition**

Revenues are recognized in the period they are realized and the related amounts can be reliably measured. Revenues are measured at their fair value of the consideration received excluding discounts, consideration (bonus, marketing incentives, etc.) payable to customers, sales tax and duties. The following specific recognition criteria must also be met before revenue is recognized:

- **Hardware and Software:** This category includes the supply of hardware and software (gaming machines, central computer systems, gaming software, communication systems etc.) to Lotteries so that they can operate their on-line games. Revenue is recognized by the Company either (a) as a direct sale of hardware and software, or (b) as operating lease, or (c) as finance lease for a predetermined time period according to the contract with the customer.

In the first (a) case, the income from the sales of hardware and software (in a determined value) is recognized when the significant risks and rewards arising from the ownership are transferred to the buyer. In the second (b) case that consists income from operating lease, is defined per case either on straight-line basis over the lease term or as a percentage on the Lottery Organization's gross turnover received by the player-customer (in this case income recognition occurs the moment that the player-customer places the related consideration in order to participate in a game).

In the third (c) case that consists income from finance lease, it is defined using the net investment method (the difference between the gross amount of the receivable and its present value is registered as a

deferred financial income). This method represents a constant periodic return, recognizing the revenue from the finance lease in the period's income statement during the lease term.

- **Installation, (technical) support and maintenance services:** This category includes the rendering of installation, technical support and maintenance services to Lotteries so that they can operate their on-line games. These services are sold either bundled (multi-element arrangements) together with the sale of technology products (hardware and software) to customers, or on their own in separate contracts with the customers. The Group accounts for the sales technology products (hardware and software) and installation, technical support and maintenance services as separate deliverables of bundled sales and allocates consideration between these deliverables using the relative fair value approach. Revenue recognition related to support services occurs by reference to the stage of completion of the transaction, at the reporting date.
- **Game management:** The Group undertakes the provision of value-added services, such as the design, organization and/ or management of games, advertising and sales promotion, establishment of sales network, risk management (for fixed odds games) etc. to organizations internationally. Group revenues mainly consist of a percentage of the turnover of the games to which the above services are provided, the size of which is contractually determined based on the market size, the type of services rendered, the duration of the contract and other parameters. Revenue recognition occurs the moment that the player-customer pays the related consideration in order to participate in a game and equals to an amount calculated as a percentage on the total amount received by the lottery games organization from the player-customer, excluding consideration (bonus, marketing incentives, etc.) payable to customer or to customers of Group's customer, when the Group operates as an agent.
- **Game operation:** In this category, the Group has the full game operating license in a country. In the case of operating the game each Group company undertakes the overall organization of the games provided (installation of information systems, advertising and promotion, establishment of sales network, receipt of the payments from players, payment of winnings to players, etc. Revenue recognition in this category occurs the time that the relevant events or draws are taking place and is valued as the total amount received from the player-customer in order to participate in a game, excluding consideration (bonus, marketing incentives, etc.) payable to customer. Especially in the case of VLT revenue measured as the "net drop" (total price minus winnings/payout) received from the player-customer.
- **Interest income:** Interest income is recognized in the income statement using the effective interest rate method.
- **Dividends:** Dividend income is recognized in the income statement when the Group's right to receive the payment is established.
- **Rental income:** Rental income arising from operating leases on is accounted for on a straight-line basis during the lease term.



## **2.1.24 Taxes**

### **Income tax**

Current and deferred income taxes are calculated based on the financial statements of each entity included in the consolidated financial statements, based on the Greek tax laws or other tax frameworks within which the foreign subsidiaries operate. Income tax is calculated based on the profit of each entity as adjusted on their tax returns, for additional taxes arising from audits performed by the tax authorities and deferred taxes based on enacted or substantially enacted tax rates. In some foreign countries, a tax is calculated according to a simplified framework, sometimes referred to as a "simplified tax" which essentially replaces income tax to avoid the complex calculations required. The Group classifies the charge for the simplified tax in the Income Statement on the "Taxes" line.

Deferred income tax is provided, using the liability method, on all temporary differences at the reporting date between the tax base of assets and liabilities and their carrying amount.

Deferred income tax liabilities are recognized for all taxable temporary differences except:

- If the deferred income tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investment in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not be reversed in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences and carry-forward unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, or the unused tax losses can be utilized except if:

- the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and,
- in respect of deductible temporary differences associated with investment in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognized to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that apply at the year when the asset is expected to be realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

Deferred income tax is not measured by the Group as regards the undistributed profits of subsidiaries, branches, associates and joint ventures due to the elimination of intercompany profits, from relevant transactions, as they are considered insignificant.

Income tax relating to items recognized directly in Other Comprehensive Income is recognized in Other Comprehensive Income and not in the income statement.

### **Sales tax**

Revenues, expenses and assets are recognized net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable and
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, is included as part of receivables or payables in the statement of financial position.

#### 2.1.25 Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant relates to an expense item, it is presented in the statement of financial position as deferred income and is recognized as deduction in the relative expenses on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

When the grant relates to an asset, it is presented in the statement of financial position as deferred income and is recognized as income in the profit or loss on a systematic basis over the expected useful life of the related asset.

#### 2.1.26 Earnings per share

The basic earnings per share (EPS) are calculated by dividing net profit by the weighted average number of ordinary shares outstanding during each year, taking into account the average number of ordinary shares of the parent held by the Group as treasury shares.

The diluted earnings per share are calculated by dividing the net profits attributable to the equity holders of the parent company by the weighted average number of ordinary shares outstanding during the year (adjusted for the effect of the average number of share option rights outstanding during the year).

#### 2.1.27 EBITDA & EBIT

International Financial Reporting Standards (IFRS) do not define the content of the "EBITDA" & "EBIT". The Group taking into account the nature of its activities, defines "EBITDA" as "Operating Profit/(Loss) before tax" adjusted for the figures "Profit/(loss) from equity method consolidations", "Profit/(loss) on net monetary position", "Exchange Differences", "Interest and similar income", "Interest and similar expenses", "Income/(expenses) from participations and investments", "Write-off and impairment loss of assets", "Gain/(loss) from assets disposal", "Reorganization costs" and "Assets depreciation and amortization". Also, the Group defines "EBIT" as "Operating Profit/(Loss) before tax" adjusted for the figures "Profit/(loss) from equity method consolidations", "Profit/(loss) on net monetary position", "Exchange Differences", "Interest and similar income", "Interest and similar expenses", "Income/(expenses) from participations and investments", "Write-off and impairment loss of assets" and "Gain/(loss) from assets disposal".

Reconciliation of operating profit before tax to EBIT and EBITDA (continuing operations):	GROUP	
	1/1-31/12/2021	1/1-31/12/2020 Restated*
<b>Operating profit/(loss) before tax</b>	<b>37.101</b>	<b>-91.870</b>
Profit / (loss) to net monetary position	-595	-61
Profit / (loss) from equity method consolidations	-213	1.476
Exchange Differences	1.165	8.639
Interest and similar income	-47.381	-1.539
Interest and similar expenses	60.942	49.903
Income/(expenses) from participations and investments	-45.112	3.895
Gain/(loss) from assets disposal, impairment loss and write-off of assets	16.318	21.028



EBIT	22.225	-8.529
Depreciation and amortization	71.046	67.967
Reorganization costs	17.170	6.754
<b>EBITDA</b>	<b>110.440</b>	<b>66.191</b>

Reconciliation of operating profit before tax to EBIT and EBITDA (continuing operations):	COMPANY	
	1/1-31/12/2021	1/1-31/12/2020 Restated*
<b>Operating profit/(loss) before tax</b>	<b>24.041</b>	<b>-40.495</b>
Exchange Differences	-677	859
Interest and similar income	-5.765	-4.938
Interest and similar expenses	23.913	20.570
Income/(expenses) from participations and investments	-65.089	-1.939
Gain/(loss) from assets disposal, impairment loss and write-off of assets	8.097	12.116
<b>EBIT</b>	<b>-15.480</b>	<b>-13.827</b>
Depreciation and amortization	13.850	14.643
Reorganization costs	11.190	2.188
Income from recharging reorganization expenses to subsidiaries	-10.023	0
<b>EBITDA</b>	<b>-464</b>	<b>3.003</b>

\*Restated due to change in accounting policy (note [2.1.4](#))

#### Project EBITDA of the Company

For the calculation of the project EBITDA of the Company, the direct costs of the projects are allocated directly to the projects for which they are carried out. Payroll costs related to the Company's production segments are recorded in "Cost of Sales" and are allocated to projects based on man effort at Company level. "Distribution Expenses" and "Administration Expenses" are monitored per project and allocated to them based on man effort at Company level. "Research and Development Expenses" are allocated to the projects in proportion to the revenues of each project in the total revenue of the Company. Furthermore, for the calculation of the Company's "Gross" results per project, the relevant depreciation of tangible and intangible assets is accounted and the allocated operating "Distribution", "Administration" and "Research and Development" expenses are deducted. In cases where the hours of work are redistributed from one project to another then the costs of disposal, administration and research and development are calculated accordingly.

#### 2.1.28 Significant accounting judgments, estimates and assumptions

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the amounts of revenues, expenses, assets liabilities and disclosures of contingent liabilities that included in the financial statements. On an ongoing basis, management evaluates its judgements, estimates and assumptions that mainly refer to goodwill impairment, allowance for doubtful receivables – expected credit losses, provision for staff retirement indemnities, provision for impairment of inventories value, impairment of tangible and intangible assets as well as estimation of their useful lives, recognition of revenue and expenses, pending legal cases, provision for income tax and recoverability of deferred tax assets. These judgements, estimates and assumptions are based on historical experience and other factors including expectations of future events that are considered reasonable under the circumstances.

The key judgements, estimates and assumptions concerning the future and other key sources of uncertainty at the reporting date of the financial statements and have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year, are consistent with those applied and were valid at the reporting date of the annual financial statements [December 31, 2020](#).



### **Goodwill, tangible and intangible assets impairment**

Management tests goodwill for impairment annually (as at 31 December) or more frequently if events occur or changes in circumstances indicate that the carrying value may be reduced in accordance with accounting policy described in note [2.16](#). The recoverable amounts of cash generating units (CGU) have been determined based on "value in use" calculations using appropriate estimates regarding future cash flows and discount rates. The determination of value in use is obtained by the present value of estimated future cash flows, as expected to be generated by each CGU (discounted cash flow method - DCF). The cash flows are derived from the most recent approved by the administration budgets for the next three years and does not include any estimated future cash inflows or outflows expected to arise from future restructurings or from improving or enhancing the asset's performance, which is tested for impairment. The expected cash flow projections beyond the period covered by the most recent budgets, estimated by extrapolating the projections based on the budgets using a steady or declining growth rate for subsequent years, which does not exceed the long-term average growth rate for products, industries, countries in which the Group operates, or for the market in which the asset is used. The Group makes estimates and beyond the period of three years where has signed revenue contracts beyond three years as well as in cases where management believes that based on market data and historical renewals track record of the Group, it is very possible to renew relevant contracts beyond this period. Cash flow projections are based on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset, giving greater weight to external evidence. Management assesses the reasonableness of the assumptions on which its current cash flow projections are based by examining the causes of differences between past cash flow projections and actual cash flows. Management also ensures that the assumptions on which its current cash flow projections are based are consistent with past actual outcomes, provided that effects of subsequent events or circumstances, that did not exist when those actual cash flows were generated, make this appropriate. Further details are provided in note [2.16](#).

The carrying values of tangible and intangible assets are reassessed for possible need for impairment whenever events or circumstances indicate that the value reported on may not be recovered in accordance with the accounting principle described in notes [2.1.8](#) and [2.1.11](#).

### **Income Tax Provision**

The companies of the Group are subject to income taxes in numerous jurisdictions. The provision for income taxes in accordance with IAS 12 "Income Taxes" refers to the amounts expected to be paid to the tax authorities and includes provision for current income taxes and the provision for any additional taxes that may arise as a result of the audit of the tax authorities. The provision for income tax of the Group for numerous transactions require significant subjective judgment, making tax exact calculation uncertain during the ordinary course of business of the Group. The estimate may differ from the final tax due to future changes in tax legislation or to unforeseen effects of the final determination of the tax liability for each year from the tax authorities. Where the final tax resulting from tax audits differ from the amounts that were initially assessed and recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination of tax differences occurred. Further details are provided in notes [2.12](#) and [2.32.B](#).

### **Deferred Tax Assets**

Deferred tax assets and liabilities are recognized on temporary differences between the accounting basis and the tax basis of assets and liabilities using the tax rates that have been enacted and are expected to apply in the periods when the differences are expected to be eliminated. Deferred tax assets are recognized for the deductible



temporary differences and tax losses carried forward to the extent that it is probable that there will be taxable income available to be used against which the deductible temporary differences and the carry forward of unused tax losses. The Group considers the existence of future taxable income and ongoing follow a conservative tax planning strategies in assessing the recoverability of deferred tax assets. The determination of future taxable income is made through the systematic process of budgeting, at the parent company level as well as at the level of subsidiaries, which are mainly based on already signed long-term revenue contracts. Almost all of the Group's revenue (parent and subsidiaries) derives from long-term contracts signed making the risk of discrepancies between budgeted and actual revenue as low, something that applies to the costs that usually are in a proportion relationship with the revenue of the related contracts. In any case there is a system of monitoring for the verification of these budgets and conducting relevant adjustments, resulting in the safe keeping of any final discrepancies at low levels. The accounting estimates related to deferred tax assets requires management to make assumptions about the timing of future events, the probability of expected future taxable income and available tax planning possibilities. Further details are provided in [2.12](#).

#### **Allowance for doubtful receivables – expected credit losses**

In determining the expected credit losses and the recognition of a relevant doubtful provision, the Group applies the general model as described in paragraph [2.1.12.I.d](#) of accounting policies. The information required to determine whether there is a significant deterioration in credit risk after initial recognition and to determine the stage to which each financial asset belongs and to calculate the provision for impairment is based on historical and future data and includes significant estimates. Past experience and estimates for the future may not lead to conclusions indicative of the actual amount of default when a relevant event will occur. Further details are provided in notes [2.19](#) and [2.20](#).

#### **Provision for staff retirement indemnities**

Liabilities for retirement benefits are calculated using actuarial methods that require management to assess specific parameters such as discount rates, future growth rates of employee wages, the future rate of employees' retirement and other factors such as the inflation rate. The Group's management estimates in the best possible way these parameters on an annual basis, for the relevant actuarial study. Further details are provided in note [2.26](#).

#### **Estimation of assets useful life**

The Group reassesses at each year end and, when appropriate, prospectively adjusts useful lives of tangible and intangible assets that were recognized either through acquisition or business combination. These estimates take into account new data and current market conditions. Further details are provided in [2.1.8](#), [2.1.10](#), [2.1.11](#), [2.14,2.15](#) and [2.16](#).

#### **Contingent liabilities**

The Group reviews the status of each significant legal case on a periodic basis and assesses the potential risk, based partly on the view of legal department. If the potential loss from any litigation and legal matters is considered probable and the amount can be reliably estimated, the Group recognizes a liability for the estimated loss. In order to determine the probability and whether the risk can be estimated reliably, a considerable degree of judgment of management is required. When additional information becomes available, the Group reassesses the potential liability related to pending litigation and legal proceedings, and estimates for the probability of an unfavorable outcome and an assessment of potential loss may be revised. Such revisions in the estimates of the

potential liability could have a material effect on the financial position and income statement of the Group. Further details are provided in note [2.32. A](#).

#### **Provision for impairment of inventories value**

The Group recognizes inventory at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated selling expenses. Provisions for impairment of inventories are formed when necessary and recognized in the income statement. Further details are provided in [2.21](#).

#### **Determination of lease term of contracts with renewal options**

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases to lease the assets for additional terms. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew, considering all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in Group business strategy).

#### **Consolidation of subsidiaries in which the Group holds less than a majority of voting right (de facto control)**

The Group estimates that on 31/12/2021 controls the subsidiary DC09 LLC, even though it holds less than 50% of the voting rights, based on the conditions specified in IFRS 10. Specifically, the Group, based on its existing rights and the fact that has signed agreements with other shareholders, estimates that has the ability to direct the activities that significantly affect the returns of this entity, i.e. the "relevant activities". Furthermore, holds significant participations/investments, has rights to variable returns from its involvement with this entity and has the ability to affect the level of these returns. The above conditions of IFRS 10 for the entity DC09 LLC, in which the Group holds on 31/12/2021 32,21% of the voting rights, define the framework on the basis of which this entity is consolidated.

#### **Business combination**

Group when acquiring a company performs the necessary estimates in determining the fair value and the useful life of the acquired tangible and intangible assets. Future events could cause changes in the assumptions used in determining fair value with a corresponding effect on the results and equity of the Group. Further details are provided in [2.1.6](#).

#### **Going Concern**

The Management of the Group evaluates the going concern assumption based on the approved business plans that cover a period of five years. Following this, it prepares Expected Cash Flows that cover a period of at least 12 months since the financial statements reporting date.

In the present fiscal year, given what is mentioned in note [2.1.1](#), the Management of the Group has extended the evaluation period of going concern in order to cover a period of 16 months since the financial statements reporting date. The estimates and assumptions used to prepare the business plans and Expected Cash Flows are based on historical data as well as on various factors that are considered reasonable given the circumstances, and are



reconsidered taking into account current and expected future market conditions. The preparation of business plans also includes long-term assumptions for important economic factors that involve a significant use of Management judgement.

## 2.2 INFORMATION PER SEGMENT

Intralot Group manages in 41 countries and states an expanded portfolio of contracts and gaming licenses. The grouping of the Group companies is based on the geographical location in which they are established. The financial results of the Group are presented in the following operating geographic segments based on the geographic location of the Group companies:

European Union:	Greece, Malta, Cyprus, Poland, Luxembourg, Spain, Nederland, Romania, Bulgaria, Germany, Croatia and Republic of Ireland.
Other Europe:	United Kingdom , Russia(until 2020) and Moldova.
America:	USA, Peru, Brazil, Argentina, Mexico, Jamaica, Chile, Colombia
Other Countries:	Australia, New Zealand, China, South Africa, Turkey, Taiwan and Morocco.

No operating segments have been added.

The following information is based on the internal financial reports provided to the manager responsible for taking decisions who is the CEO. The performance of the segments is evaluated based on the sales and profit/(loss) before tax. The Group applies the same accounting policies for the financial results of the above segments as those of the consolidated financial statements. The transactions between segments are realized within the natural conditions present in the Group with similar way to that with third parties. The intragroup transactions are eliminated in group level and are included in the column "Eliminations".

	1/1-31/12/2021 (in million €)						
	European Union	Other Europe	America	Other Countries	Eliminations	Total	
Sales to third parties	137,80	0,00	215,09	61,11	0,00	414,00	
Intragroup sales	43,29	0,00	0,41	0,07	-43,76	0,00	
<b>Total Sales</b>	<b>181,08</b>	<b>0,00</b>	<b>215,49</b>	<b>61,18</b>	<b>-43,76</b>	<b>414,00</b>	
<b>Gross Profit/(loss)</b>	<b>12,83</b>	<b>0,00</b>	<b>58,52</b>	<b>51,23</b>	<b>-3,15</b>	<b>119,44</b>	
(Debit)/Credit interest & similar (expenses)/income	-33,56	0,00	-7,59	0,05	27,54	-13,56	
Depreciation/Amortization	-26,34	0,00	-34,11	-11,33	0,74	-71,05	
Profit/(loss) consolidated with equity method	-0,01	0,00	0,00	0,23	0,00	0,21	
Write-off & impairment of assets	-11,70	0,00	-0,03	-4,28	-0,12	-16,13	
Write-off & impairment of investments	-30,85	0,00	0,00	0,00	30,85	0,00	
Doubtful provisions, write-off & impairment of receivables	-135,22	0,00	-0,55	-1,60	135,34	-2,02	
Reversal of doubtful provisions & recovery of written off receivables	0,13	0,00	0,00	0,32	-0,13	0,32	
<b>Profit/(Loss) before tax and continuing operations</b>	<b>7,03</b>	<b>0,00</b>	<b>30,50</b>	<b>10,10</b>	<b>-10,54</b>	<b>37,10</b>	
Tax	2,96	0,00	-2,51	-4,26	-0,57	-4,38	
<b>Profit/(Loss) after tax from continuing operations</b>	<b>9,99</b>	<b>0,00</b>	<b>27,99</b>	<b>5,84</b>	<b>-11,11</b>	<b>32,72</b>	
Profit/(Loss) after tax from discontinued operations	-1,40	0,00	-7,83	0,00	0,00	-9,22	
<b>Profit/(Loss) after tax from total operations</b>	<b>8,59</b>	<b>0,00</b>	<b>20,16</b>	<b>5,84</b>	<b>-11,11</b>	<b>23,49</b>	
	1/1-31/12/2020 Restated* (in million €)						
	European Union	Other Europe	America	Other Countries	Eliminations	Total	
Sales to third parties	125,20	0,00	172,81	46,88	0,00	344,88	
Intragroup sales	59,69	0,00	0,38	0,14	-60,21	0,00	
<b>Total Sales</b>	<b>184,89</b>	<b>0,00</b>	<b>173,19</b>	<b>47,02</b>	<b>-60,21</b>	<b>344,88</b>	
<b>Gross Profit/(loss)</b>	<b>30,47</b>	<b>0,00</b>	<b>26,96</b>	<b>34,73</b>	<b>-18,98</b>	<b>73,18</b>	
(Debit)/Credit interest & similar (expenses)/income	-42,45	0,00	-4,31	-1,48	-0,11	-48,36	
Depreciation/Amortization	-35,58	0,00	-30,15	-4,12	1,88	-67,97	
Profit/(loss) consolidated with equity method	-0,02	0,00	0,00	-1,46	0,00	-1,48	
Write-off & impairment of assets	-21,15	0,00	-0,04	-0,06	0,00	-21,24	
Write-off & impairment of investments	-32,66	0,00	0,00	0,00	28,51	-4,15	
Doubtful provisions, write-off & impairment of receivables	-1,15	0,00	-0,34	-0,47	1,04	-0,92	
Reversal of doubtful provisions & recovery of written off receivables	0,02	0,00	0,00	0,57	0,00	0,59	
<b>Profit/(Loss) before tax and continuing operations</b>	<b>-105,90</b>	<b>0,04</b>	<b>2,69</b>	<b>3,15</b>	<b>8,14</b>	<b>-91,87</b>	
Tax	0,77	0,03	-5,33	-2,81	0,00	-7,35	
<b>Profit/(Loss) after tax from continuing operations</b>	<b>-105,12</b>	<b>0,07</b>	<b>-2,64</b>	<b>0,34</b>	<b>8,14</b>	<b>-99,22</b>	
Profit/(Loss) after tax from discontinued operations	-48,25	0,00	-1,00	0,00	45,57	-3,68	
<b>Profit/(Loss) after tax from total operations</b>	<b>-153,38</b>	<b>0,07</b>	<b>-3,64</b>	<b>0,34</b>	<b>53,70</b>	<b>-102,90</b>	

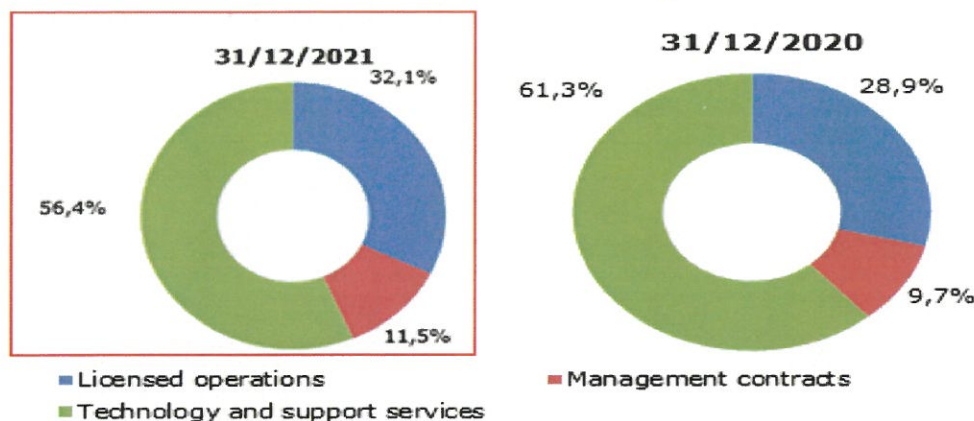
\*Restated due to change in accounting policy (note 2.1.4)



<b>Sales per business activity</b> (continuing operations)			
<i>(in thousand €)</i>	<b>31/12/2021</b>	<b>31/12/2020</b>	<b>Change</b>
Licensed operations	133.064	99.825	33,30%
Management contracts	47.454	33.580	41,32%
Technology and support services	233.480	211.479	10,40%
<b>Total</b>	<b>413.998</b>	<b>344.885</b>	<b>20,04%</b>

The sales of the above business activities are coming from all geographical segments

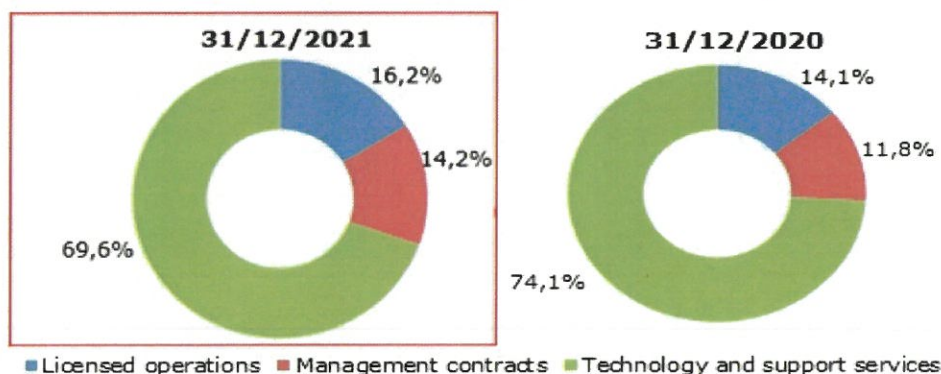
**Sales per business activity**



<b>Sales per product type</b> (continuing operations)		
	<b>31/12/2021</b>	<b>31/12/2020</b>
Lottery games	61,18%	58,39%
Sports Betting	17,18%	15,60%
IT products & services	11,98%	17,23%
Racing	0,53%	0,61%
Video Lottery Terminals	9,24%	8,17%
<b>Total</b>	<b>100%</b>	<b>100%</b>

<b>Revenue Net of Payout (GGR) per business activity</b> (continuing operations)			
<i>(in thousand €)</i>	<b>31/12/2021</b>	<b>31/12/2020</b>	<b>Change</b>
Licensed operations	54.370	40.300	34,91%
Management contracts	47.454	33.580	41,32%
Technology and support services	233.480	211.479	10,40%
<b>Total</b>	<b>335.303</b>	<b>285.359</b>	<b>17,50%</b>

**Revenue Net Payout (GGR) per business activity**



### 2.3 OTHER OPERATING INCOME

(continuing operations)	GROUP		COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Income from rents from third parties	17.565	14.650	27	
Income from rents from subsidiaries			74	83
Proceeds from legal disputes	295	0	295	
Income from uncollected winnings	0	0		
Income from reversal of doubtful provisions and proceeds for written off receivables from third parties	324	593		
Income from reversal of doubtful provisions and proceeds for written off receivables from subsidiaries			131	0
Income from recharging reorganization expenses to subsidiaries		0	10.023	0
Other income	3.416	2.176	122	146
Other income from other related parties	0	26	0	0
Other income from subsidiaries			958	20
<b>Total</b>	<b>21.600</b>	<b>17.445</b>	<b>11.630</b>	<b>249</b>

### 2.4 STAFF COSTS

(continuing operations)	GROUP		COMPANY	
	31/12/2021	31/12/2020 Restated *	31/12/2021	31/12/2020 Restated *
Salaries	69.138	73.944	17.445	20.875
Social security contributions	9.728	10.309	3.499	4.583
Staff retirement indemnities provision (note 2.26)	1.596	607	1.417	466
Other staff costs	13.843	12.709	1.527	1.686
<b>Total</b>	<b>94.306</b>	<b>97.569</b>	<b>23.887</b>	<b>27.610</b>

#### Salaries & Social security contributions per cost center December 31, 2021

Group	(continuing operations)				
	Cost of Sales	Selling expenses	Administrative costs	R&D costs	Total
<b>Salaries</b>	39.661	4.908	24.546	23	69.138
<b>Social security contributions</b>	5.975	877	2.872	4	9.728
<b>Staff retir. &amp; other costs</b>	7.979	739	6.540	181	15.440
<b>Total</b>	<b>53.615</b>	<b>6.524</b>	<b>33.958</b>	<b>208</b>	<b>94.306</b>

Company	(continuing operations)				
	Cost of Sales	Selling expenses	Administrative costs	R&D costs	Total
<b>Salaries</b>	8.934	2.741	5.747	23	17.445
<b>Social security contributions</b>	1.895	568	1.030	4	3.499
<b>Staff retir. &amp; other costs</b>	1.681	402	679	181	2.944
<b>Total</b>	<b>12.510</b>	<b>3.712</b>	<b>7.457</b>	<b>208</b>	<b>23.887</b>

#### Salaries & Social security contributions per cost center December 31, 2020 Restated\*

Group	(continuing operations)				
	Cost of Sales	Selling expenses	Administrative costs	R&D costs	Total
<b>Salaries</b>	39.742	6.857	26.341	1.003	73.944
<b>Social security contributions</b>	5.565	1.319	3.210	215	10.309
<b>Staff retir. &amp; other costs</b>	8.060	773	4.279	204	13.316
<b>Total</b>	<b>53.368</b>	<b>8.949</b>	<b>33.830</b>	<b>1.422</b>	<b>97.569</b>



Company	Cost of Sales	Selling expenses	Administrative costs	R&D costs	Total
<b>Salaries</b>	7.843	4.462	7.567	1.003	20.875
<b>Social security contributions</b>	1.913	1.009	1.447	215	4.583
<b>Staff retir. &amp; other costs</b>	1.207	296	445	204	2.151
<b>Total</b>	<b>10.963</b>	<b>5.766</b>	<b>9.459</b>	<b>1.422</b>	<b>27.610</b>

The number of employees of the Group at the end of 31/12/2021 amounted to 1.840 persons (Company/subsidiaries 1.803 and associates 37) and the Company's 427 persons. At the end of the 2020 period the number of employees of the Group was 3.447 persons (Company/subsidiaries 2.046 and associates 1.401) and the Company's 595 persons.

## 2.5 DEPRECIATION AND AMORTIZATION

Depreciation and amortization recognized in the accompanying financial statements are analyzed as follows:

(continuing operations)	GROUP		COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Depreciation of tangible fixed assets (note 2.14)	35.120	36.798	5.358	4.935
Amortization of intangible assets (note 2.16)	35.925	31.169	8.492	9.708
<b>Total</b>	<b>71.046</b>	<b>67.967</b>	<b>13.850</b>	<b>14.643</b>

Depreciation and amortization per cost center 31/12/2021 (continuing operations)					
	Cost of Sales	Selling expenses	Administrative costs	R&D costs	Total
<b>Group</b>	53.188	2.010	14.740	1.108	<b>71.046</b>
<b>Company</b>	8.310	1.870	2.562	1.108	<b>13.850</b>

Depreciation and amortization per cost center 31/12/2020 (continuing operations)					
	Cost of Sales	Selling expenses	Administrative costs	R&D costs	Total
<b>Group</b>	57.001	2.132	7.663	1.171	<b>67.967</b>
<b>Company</b>	8.786	1.977	2.709	1.171	<b>14.643</b>

## 2.6 EXPENSES BY NATURE

(continuing operations)	GROUP		COMPANY	
	31/12/2021	31/12/2020 Restated *	31/12/2021	31/12/2020 Restated *
Personnel Costs (note 2.4)	94.306	97.569	23.887	27.610
Depreciation & amortization (note 2.5)	71.046	67.967	13.850	14.643
Change in inventories	9.644	16.606	1.367	2.990
Winners payout, game taxes and agent commissions	110.569	81.958	0	0
Consumables	4.768	3.743	0	0
Third party fees-benefits	34.905	28.780	10.273	4.517
Reorganization expenses	17.170	6.754	11.190	2.188
Other expenses	67.027	65.522	9.757	9.207
<b>Total</b>	<b>409.433</b>	<b>368.899</b>	<b>70.324</b>	<b>61.155</b>

\*Restated due to change in accounting policy (note 2.1.4)

For the year ended December 31, 2021, operating expenses of the Group analysed above, include fees of statutory auditors' networks other than statutory audit, amounted to €147 thous. for the issuance of Tax Compliance Certificate in accordance with the provisions of art. 65A of L. 4174/2013 and fees for other services amounted to €44 thous. including fees for other assurance services amounted to €8 thous.. The corresponding amounts for the Company are €115 thous. and €8 thous..



## 2.7 INCOME / (EXPENSES) FROM PARTICIPATIONS AND INVESTMENTS

(continuing operations)	GROUP		COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Income from dividends	1.988	1.050	4.997	4.986
Gain from sale of participations and investments <sup>2</sup>	43.754	101	66.935	0
Other income from participations and investments	886	0	0	0
<b>Total income from participations and investments</b>	<b>46.628</b>	<b>1.151</b>	<b>71.932</b>	<b>4.986</b>
Loss from sale of participations and investments	-1.516	-892	-20	0
Loss from impairment / write-offs of participations and investments <sup>1</sup>	0	-4.153	-6.824	-3.047
<b>Total expenses from participations and investments</b>	<b>-1.516</b>	<b>-5.045</b>	<b>-6.843</b>	<b>-3.047</b>
<b>Net result from participations and investments</b>	<b>45.112</b>	<b>-3.895</b>	<b>65.089</b>	<b>1.939</b>

<sup>1</sup> The Company as at 31/12/2021 includes a loss of €6.762 thousand from provision of impairment of the Company's investment in the subsidiary Bilyoner Interactif Hizmelter As as a result of the signing of a new fixed-term contract until 2029.

<sup>2</sup> The Group 31/12/2021 includes a profit of €43.027 thousand relating to the exchange of 34,27% of the share capital of Intralot US Securities B.V. (indirectly parent company of Intralot, Inc.) to holders of existing bonds maturing in 2024, with a nominal value of €118.240 thousand. Respectively, the Company includes profit from subsidiary's write off of debt amount to €55.000 thousand and profit amount to €12 million for the sale of Group's investment in Intralot de Peru SAC.

## 2.8 GAIN/(LOSSES) FROM ASSETS DISPOSAL, IMPAIRMENT LOSS & WRITE-OFF OF ASSETS

(continuing operations)	GROUP		COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Gain from disposal of tangible and intangible assets	37	185	12	14
Loss from disposal of tangible and intangible assets	-261	1	0	0
Loss from impairment and write-off of tangible and intangible assets <sup>1</sup>	-16.131	-21.239	-8.129	-12.140
Gain from write-off lease liability	632	1.207	595	367
Loss from write-off property rights	-594	-1.182	-575	-357
<b>Net result from tangible and intangible assets</b>	<b>-16.318</b>	<b>-21.028</b>	<b>-8.097</b>	<b>-12.116</b>

<sup>1</sup> The Group on 31/12/2021 includes a loss of €4.097 thousand from the provision for impairment of recoverable amount of goodwill from the acquisition of the subsidiary Bilyoner Interactif Hizmelter AS as a consequence of the Goodwill impairment test as a result of the signing of a new fixed-term contract until 2029 and amount €11.110thous. from impairment of intangible assets of CGU "Sports Betting" as analyzed in paragraph Intangible assets (except for Goodwill) impairment test.

## 2.9 OTHER OPERATING EXPENSES

(continuing operations)	GROUP		COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Impairment, write-off and provisions for doubtful debt	2.025	918	578	143
Provisions for contractual fines-penalties	1.765	107	0	0
Other expenses	148	935	27	451
<b>Total</b>	<b>3.939</b>	<b>1.960</b>	<b>605</b>	<b>594</b>

Analysis of the account "Impairment, write-off and provisions for doubtful debt":

(continuing operations)	GROUP		COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Provisions for doubtful receivables from subsidiaries	0	0	0	132
Doubtful provisions from third party trade receivables (3rd parties)	2.024	753	578	0
Write-off of trade receivables (3rd parties)	1	0	0	10
Write-off of receivables from associates	0	35	0	0
Write-off of receivables from other related parties	0	129	0	0
<b>Total</b>	<b>2.025</b>	<b>918</b>	<b>578</b>	<b>143</b>



## 2.10 INTEREST AND SIMILAR EXPENSES / INTEREST AND SIMILAR INCOME

(continuing operations)	GROUP		COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Interest Expense <sup>1</sup>	-44.155	-48.185	-20.704	-19.538
Financial Expense <sup>2</sup>	-16.787	-1.685	-3.209	-1.032
Discounting	0	-33	0	0
<b>Total Interest and similar expenses</b>	<b>-60.942</b>	<b>-49.903</b>	<b>-23.913</b>	<b>-20.570</b>
Interest Income	1.793	1.428	5.765	4.933
Financial Income <sup>3</sup>	45.533	0	0	0
Discounting	55	111	0	5
<b>Total Interest and similar Income</b>	<b>47.381</b>	<b>1.539</b>	<b>5.765</b>	<b>4.938</b>
<b>Net Interest and similar Income / (Expenses)</b>	<b>-13.561</b>	<b>-48.364</b>	<b>-18.148</b>	<b>-15.632</b>

<sup>1</sup> Including the amortized costs, expenses and fees of banking institutions in connection with the issue of bond and syndicated loans, as well as repurchase of bond loans costs.

<sup>2</sup> The financial expenses of the Group 31/12/2021 include expenses of €15,8 million related to the loan restructuring. The corresponding amount of the Company amounts to €3,0 million.

<sup>3</sup> The financial income of the Group 31/12/2021 includes a profit of €45,5 million related to the refinancing of bonds maturing in September 2021.

## 2.11 EXCHANGE DIFFERENCES

The Group reported in the Income Statement of 2021 loss from «Exchange differences» amount to €1.165 thousand (2020: profit €8.639 thousand) mainly from valuation of commercial and borrowing liabilities (intercompany and non) in EUR that various subsidiaries abroad had as at 31/12/2021, with a different functional currency than the Group, from valuation of cash balances in foreign currency other than the functional currency of each entity, from valuation of trade receivables (from third parties and associates) mainly in USD that held by the Company on 31/12/2021, as well as gain of €1.104 thousand from the restatement of revaluation reserve for foreign exchange differences in the income statement pursuant to IFRS 10.

## 2.12 INCOME TAXES

GROUP (continuing operations)	31/12/2021	31/12/2020 Restated *
Current income tax	10.886	5.900
Deferred income tax	-4.888	-857
Tax audit differences and other taxes non-deductible	-1.613	2.303
<b>Total income tax expense reported in income statement</b>	<b>4.385</b>	<b>7.346</b>

The income tax expense for the Company and its Greek subsidiaries was calculated to 22% and 24% on the taxable profit of the periods 1/1-31/12/2021 and 1/1-31/12/2020.

The deferred income tax for the Company and its Greek subsidiaries was calculated using the rate 22%, pursuant to Law 4799/2021, for tax years since 2021.

COMPANY	31/12/2021	31/12/2020 Restated *
Current income tax	1.856	0
Deferred income tax	-7.038	-1.773
Tax audit differences and other taxes non-deductible	1.428	1.771
<b>Total income tax expense reported in income statement</b>	<b>-3.754</b>	<b>-2</b>

Income tax attributable to the Group's profit differs from the amount that would arise by applying the nominal tax rate applicable at the domicile of the Parent Company, as follows:

(continuing operations)	GROUP		COMPANY	
	31/12/2021	31/12/2020 Restated *	31/12/2021	31/12/2020 Restated *
<b>Profit before income taxes</b>	<b>37.101</b>	<b>-91.870</b>	<b>24.041</b>	<b>-40.659</b>
Income taxes based on the statutory income tax rate of the Parent 22% (2020: 24%)	8.162	-21.925	5.289	-9.758
Adjustments to income taxes related to:				
Adjustments in previous periods provisions	-540	0	0	74
Tax effect of non-deductible tax expenses	1.661	8.974	-2.865	9.986



Tax effect of transferred losses, for which deferred tax asset was not recognized	-21.093	23.502	0	0
Tax effect of non-taxable profits	-253	-4.822	-607	-228
Tax effect of foreign subsidiaries' profits that are taxable at different tax rates	21.715	-347	0	0
Other taxes non-deductible	460	510	1.669	0
Deferred tax effect due to tax rate change	-253	0	-337	0
Tax effect of losses for which net deferred tax asset was recognized	-4.000	-338	-6.998	-1.847
Income tax of previous years after tax audit	-1.791	1.793	96	1.771
Provision for additional taxes from future tax audits	316	0	0	0
<b>Income taxes reported in the income statement</b>	<b>4.385</b>	<b>7.346</b>	<b>-3.754</b>	<b>-2</b>

	GROUP		COMPANY	
	31/12/2021	31/12/2020 Restated *	31/12/2021	31/12/2020 Restated *
<b>Net deferred tax asset at beginning of the year</b>	<b>-4.670</b>	<b>-5.596</b>	<b>-4.044</b>	<b>-5.883</b>
(Debit)/Credit to income statement (continuing operations)	4.888	981	7.038	1.847
(Debit)/Credit to income statement (discontinued operations)	0	-23	0	0
Opening balance restructuring	-50	0	0	0
Exchange differences	3.522	195	0	0
Deferred tax on other comprehensive income	0	77	0	66
Transfer from income tax payable	0	0	0	0
Effect from impact from IAS 29	-140	-178	0	0
Non-consolidated subsidiary due to sale	0	-1	0	0
IAS 19 restatement	0	-124	0	-74
<b>Net deferred tax asset at end of the fiscal year</b>	<b>3.553</b>	<b>-4.670</b>	<b>2.998</b>	<b>-4.044</b>

The deferred tax asset and liability presented in the accompanying financial position are analyzed as follows:

31/12/2021	GROUP		COMPANY	
	Assets	Liabilities	Assets	Liabilities
Tax losses carried forward	6.229	0	6.305	0
Inventories—intercompany profit	0	-159	0	0
Financial assets	1	-27	1	0
Long term receivables	23	0	0	0
Provisions	557	128	259	0
Tangible assets	-3.558	3.929	0	-203
Intangibles assets	0	-5.026	0	-4.520
Short term receivables	-600	39	-635	0
Accrued expenses	1.165	-4	1.144	0
Long term liabilities	173	-318	64	0
Short term liabilities	783	-27	549	0
Short term loans	247	-3	34	0
<b>Total</b>	<b>5.021</b>	<b>-1.468</b>	<b>7.721</b>	<b>-4.723</b>

1/1-31/12/2021	Income Statement	
	GROUP	COMPANY
<b>Deferred income tax (continuing operations)</b>		
Prior years' tax losses utilized	174	0
Subsidiaries' tax losses carried forward	-4.567	-6.305
Accrued expenses	171	174
Tangible assets	-996	-670
Intangible assets	-719	-702
Financial assets	24	0
Short term receivables	-59	0
Long Term receivables	1	0
Inventories—impairment	145	0
Short term provisions	-11	0
Short term liabilities	34	275
Long term liabilities	914	190
Discontinued operations	-1	0
<b>Deferred Tax (income) / expense</b>	<b>-4.890</b>	<b>-7.038</b>



On 31/12/2021 the most significant Group's subsidiaries (excluding Company) had accumulated tax losses amounting to approximately €184,5 million and had recognized a deferred tax asset of €0,04 million (31/12/2020: €0,1 million) attributable to tax losses amounting to €0,2 million. For the remaining tax losses amounting to €184,3 million there was no deferred tax asset recognized on 31/12/2021 since the recognition criteria under IAS 12 as described in notes [2.1.24](#) and [2.1.28](#) were not met. Of the above total accumulated tax losses an amount of €111,9 million can be transferred up to the periods 2022-2026, an amount of €6,7 million until the periods 2027-2046 and finally an amount of €65,9 million has no time limit. Also, on 31/12/2021 the Company recognized a deferred tax asset on accumulated tax losses amounting to €34,2million.

31/12/2020 Restated *	GROUP		COMPANY	
	Assets	Liabilities	Assets	Liabilities
Tax losses carried forward	98	0	0	0
Inventories–intercompany profit	1	-17	0	0
Financial assets	8	-11	1	0
Long term receivables	27	0	0	0
Provisions	1.377	-640	918	-637
Tangible assets	-3.438	1.196	0	-872
Intangibles assets	1	-5.772	0	-5.222
Short term receivables	-584	0	-635	0
Accrued expenses	1.364	-29	1.317	0
Long term liabilities	607	99	228	0
Short term liabilities	1.040	-24	774	0
Short term loans	272	-246	85	0
<b>Total</b>	<b>773</b>	<b>-5.443</b>	<b>2.688</b>	<b>-6.732</b>

1/1-31/12/2020 Restated *	Income Statement	
	GROUP	COMPANY
<b>Deferred income tax (continuing operations)</b>		
Prior years' tax losses utilized	17	0
Subsidiaries' tax losses carried forward	4.342	0
Accrued expenses	57	70
Tangible assets	-1.192	-649
Intangible assets	-4.741	-1.660
Financial assets	3	0
Short term receivables	416	12
Long Term receivables	-14	-7
Inventories–impairment	18	0
Short term provisions	-59	47
Short term liabilities	-21	202
Long term liabilities	340	214
Discontinued operations	-23	0
<b>Deferred Tax (income) / expense</b>	<b>-857</b>	<b>-1.773</b>

\*Restated due to change in accounting policy (note [2.1.4](#))

### 2.13 EARNINGS / (LOSSES) PER SHARE

The calculation of basic and diluted earnings / (losses) per share is as follows:

Basic earnings / (losses) per share (EPS) are calculated by dividing net earnings / (losses) for the period attributable to equity holders of the parent by the weighted average number of common shares outstanding during the period, taking into account the average number of ordinary shares acquired by the Group as treasury shares.

(total operations)	GROUP		COMPANY	
	31/12/2021	31/12/2020 Restated*	31/12/2021	31/12/2020 Restated*
<b>Net profit / (loss) attributable to equity holders of the parent</b>	<b>17.461</b>	<b>-106.042</b>	<b>27.795</b>	<b>-40.493</b>
Weighted average number of shares outstanding in the beginning of the period	148.288.968	147.761.688	148.288.968	147.761.688
Less: Weighted average number of treasury shares from period movements				
<b>Weighted average number of shares outstanding during the period</b>	<b>148.288.968</b>	<b>147.761.688</b>	<b>148.288.968</b>	<b>147.761.688</b>
<b>Basic earnings / (losses) per share (EPS) (in euro)</b>	<b>0,1177 €</b>	<b>-0,7177 €</b>	<b>0,1874 €</b>	<b>-0,2740 €</b>

Diluted earnings / (losses) per share are calculated by dividing net earnings / (losses) for the period attributable to equity holders of the parent by the weighted average number of shares outstanding during the period (adjusted for the effect of the average stock option plans outstanding during the period). During 2021 and 2020 the Group had no stock option plan in effect.

(total operations)	GROUP		COMPANY	
	31/12/2021	31/12/2020 Restated*	31/12/2021	31/12/2020 Restated*
Weighted average number of shares outstanding (for basic EPS)	148.288.968	147.761.688	148.288.968	147.761.688
Effect of potential exercise of options (weighted average number for the period)	0	0	0	0
<b>Weighted average number of shares outstanding (for diluted EPS)</b>	<b>148.288.968</b>	<b>147.761.688</b>	<b>148.288.968</b>	<b>147.761.688</b>
<b>Diluted earnings / (losses) per share (EPS) (in euro)</b>	<b>0,1177 €</b>	<b>-0,7177 €</b>	<b>0,1874 €</b>	<b>-0,2740 €</b>

\*Restated due to change in accounting policy (note [2.1.4](#))

The difference between the weighted average number of shares outstanding and the number of shares including those that would arise from a potential exercise of share options, is not significant.



## 2.14 TANGIBLE FIXED ASSETS

GROUP	LAND	BUILDINGS AND INSTALLATIONS	MACHINERY AND EQUIPMENT	TRANSPORT EQUIPMENT	FURNITURE AND FIXTURES	ASSETS UNDER CONSTRUCTION	OTHER TANGIBLE ASSETS	Total
<b>January 1, 2021</b>								
Cost	3.030	35.166	321.599	4.273	86.253	12.934	1.597	<b>464.852</b>
Accumulated depreciation	-1.200	-16.067	-226.492	-2.944	-82.497	0	-1.320	<b>-330.520</b>
<b>Net book value January 1, 2021</b>	<b>1.830</b>	<b>19.100</b>	<b>95.107</b>	<b>1.328</b>	<b>3.756</b>	<b>12.934</b>	<b>277</b>	<b>134.332</b>
<b>COST</b>								
Additions of the period	0	4.401	3.832	723	195	7.014	57	<b>16.222</b>
Transfer of assets from (to) other category	0	68	8.764	0	41	-8.872	0	<b>0</b>
Transfer from (to) inventories and intangible assets	0	0	6.689	0	6	-3.807	0	<b>2.888</b>
Effect from the application of IAS 29	0	337	7.001	106	264	0	14	<b>7.722</b>
Disposal of subsidiaries/change in consolidation method	0	-255	-3.394	-139	-135	0	0	<b>-3.923</b>
Disposals	0	0	-520	-34	-4	0	0	<b>-558</b>
Impairment / write off	0	-20	-1.483	-61	-448	0	0	<b>-2.012</b>
Derecognition due to termination / expiration of lease contracts	0	-1.291	0	-683	0	0	0	<b>-1.973</b>
Exchange differences	0	1.237	18.352	-199	-196	528	13	<b>19.735</b>
<b>ACCUMULATED DEPRECIATION</b>								
Depreciation of the period	0	-3.078	-30.249	-846	-959	0	-136	<b>-35.269</b>
Disposals	0	0	495	34	3	0	0	<b>532</b>
Impairment / write-off	0	0	801	7	443	0	0	<b>1.251</b>
Effect from the application of IAS 29	0	-158	-5.766	-81	-259	0	-6	<b>-6.270</b>
Exchange differences	0	-662	-13.841	119	187	0	-28	<b>-14.224</b>
Transfer from (to) other category	0	0	0	0	0	0	0	<b>0</b>
Transfer from (to) inventories and intangible assets	0	0	0	0	-6	0	0	<b>-6</b>
Derecognition due to termination / expiration of lease contracts	0	699	0	679	0	0	0	<b>1.378</b>
Disposal of subsidiaries/change in consolidation method	0	223	2.939	127	97	0	0	<b>3.385</b>
<b>Net book value December 31 2021</b>	<b>1.830</b>	<b>20.600</b>	<b>88.727</b>	<b>1.081</b>	<b>2.984</b>	<b>7.796</b>	<b>192</b>	<b>123.210</b>
Cost	3.030	39.644	360.841	3.986	85.975	7.796	1.681	<b>502.952</b>
Accumulated depreciation	-1.200	-19.044	-272.113	-2.905	-82.991	0	-1.489	<b>-379.743</b>
<b>Net book value December 31 2021</b>	<b>1.830</b>	<b>20.600</b>	<b>88.727</b>	<b>1.081</b>	<b>2.984</b>	<b>7.796</b>	<b>192</b>	<b>123.210</b>

The Group (continuing operations) recognized impairment losses/write-offs of tangible fixed assets amount to €761 thousand (discontinued operations €0 thousand) during the period 1/1-31/12/2021 that were recognized in the income statement (in "Gain / (Losses) from assets disposal, impairment losses & write-off of assets" - note 2.8). The largest portion, amounting to €526 thousand regards impairment loss on machinery and equipment of Intralot SA which is no longer in use in US.

Tangible fixed assets depreciation amounts to €35.269 thousand includes related depreciation of discontinued operations amounts to €149 thousand.



GROUP	LAND	BUILDINGS AND INSTALLATIONS	MACHINERY AND EQUIPMENT	TRANSPORT EQUIPMENT	FURNITURE AND FIXTURES	ASSETS UNDER CONSTRUCTION	OTHER TANGIBLE ASSETS	TOTAL
<b>January 1, 2020</b>								
Cost	3.030	39.934	398.665	5.212	87.400	11.175	1.745	547.161
Accumulated depreciation	-1.200	-15.300	-274.687	-3.068	-82.793	0	-1.405	-378.453
<b>Net Book value January 1, 2020</b>	<b>1.830</b>	<b>24.634</b>	<b>123.978</b>	<b>2.144</b>	<b>4.607</b>	<b>11.175</b>	<b>340</b>	<b>168.708</b>
<b>COST</b>								
Additions of the period		1.545	4.875	663	606	3.426	66	11.181
Transfer of assets from (to) other category		-57	2.149		98	-2.190		0
Transfer from (to) inventories and intangible assets		-5	5.791		-488	1.590		6.888
Effect from the application of IAS 29		128	4.754	93	166		10	5.151
Disposal of subsidiaries/change in consolidation method		-46	-6.104	-263	-183		-40	-6.636
Disposals			-816	-166	-86			-1.068
Impairment / write off		-1.048	-56.752		-623		-146	-58.569
Derecognition due to termination / expiration of lease contracts		-3.367		-865				-4.232
Exchange differences		-1.918	-30.963	-401	-637	-1.067	-38	-35.024
<b>ACCUMULATED DEPRECIATION</b>								
Depreciation of the period		-4.370	-30.633	-1.138	-1.121		-112	-37.374
Disposals			274	103	84			461
Impairment / write-off		1.030	55.995		572		143	57.740
Effect from the application of IAS 29		-57	-3.515	-72	-159		-2	-3.805
Exchange differences		985	21.502	265	547		22	23.321
Transfer from (to) other category		51	-32		-19			0
Transfer from (to) inventories and intangible assets		-16	163	6	246			399
Derecognition due to termination / expiration of lease contracts		1.590		756				2.346
Disposal of subsidiaries/change in consolidation method		21	4.441	203	146		34	4.845
<b>Net book value December 31, 2020</b>	<b>1.830</b>	<b>19.100</b>	<b>95.107</b>	<b>1.328</b>	<b>3.756</b>	<b>12.934</b>	<b>277</b>	<b>134.332</b>
Cost	3.030	35.166	321.599	4.273	86.253	12.934	1.597	464.852
Accumulated depreciation	-1.200	-16.066	-226.492	-2.945	-82.497	0	-1.320	-330.520
<b>Net Book value December 31, 2020</b>	<b>1.830</b>	<b>19.100</b>	<b>95.107</b>	<b>1.328</b>	<b>3.756</b>	<b>12.934</b>	<b>277</b>	<b>134.332</b>

The Group (continuing operations) recognized impairment losses/write-offs of tangible fixed assets amount to €829 thousand (discontinued operations €602 thousand) during the period 1/1-31/12/2020 that were recognized in the income statement (in "Gain / (Losses) from assets disposal, impairment losses & write-off of assets" - note 2.8). The largest portion, amounting to €648 thousand regards impairment loss on machinery and equipment due to COVID-19 pandemic in Brazil.

Tangible fixed assets depreciation amounts to €37.374 thousand includes related depreciation of discontinued operations amounts to €575 thousand.



COMPANY	LAND	BUILDINGS AND INSTALLATIONS	MACHINERY AND EQUIPMENT	TRANSPORT EQUIPMENT	FURNITURE AND FIXTURES	ASSETS UNDER CONSTRUCTION	OTHER TANGIBLE ASSETS	Total
<b>January 1, 2021</b>								
Cost	3.030	14.921	16.840	1.597	78.355	0	0	114.742
Accumulated depreciation	-1.200	-5.194	-6.757	-941	-75.320	0	0	-89.410
<b>Net book value January 1, 2021</b>	<b>1.830</b>	<b>9.727</b>	<b>10.083</b>	<b>656</b>	<b>3.036</b>	<b>0</b>	<b>0</b>	<b>25.332</b>
<b>COST</b>								
Additions of the period	0	-20	16	165	137	0	0	298
Transfer from (to) inventories and intangible assets	0	0	3.726	0	0	0	0	3.726
Disposals	0	0	-14	0	-4	0	0	-19
Impairment / write off	0	-20	-1.262	-54	-418	0	0	-1.754
Derecognition due to termination / expiration of lease contracts	0	-941	0	-222	0	0	0	-1.163
<b>ACCUMULATED DEPRECIATION</b>								
Depreciation of the period	0	-604	-3.837	-265	-652	0	0	-5.358
Disposals	0	0	12	0	3	0	0	15
Impairment / write-off	0	0	736	0	418	0	0	1.154
Derecognition due to termination / expiration of lease contracts	0	368	0	220	0	0	0	588
<b>Net book value December 31 2021</b>	<b>1.830</b>	<b>8.511</b>	<b>9.460</b>	<b>500</b>	<b>2.520</b>	<b>0</b>	<b>0</b>	<b>22.820</b>
Cost	3.030	13.940	19.306	1.486	78.070	0	0	115.832
Accumulated depreciation	-1.200	-5.429	-9.846	-986	-75.550	0	0	-93.012
<b>Net book value December 31 2021</b>	<b>1.830</b>	<b>8.511</b>	<b>9.460</b>	<b>500</b>	<b>2.520</b>	<b>0</b>	<b>0</b>	<b>22.820</b>

COMPANY	LAND	BUILDINGS AND INSTALLATIONS	MACHINERY AND EQUIPMENT	TRANSPORT EQUIPMENT	FURNITURE AND FIXTURES	TOTAL
<b>January 1, 2020</b>						
Cost	3.030	15.400	15.402	1.340	78.318	113.490
Accumulated depreciation	-1.200	-4.698	-3.533	-816	-74.813	-85.060
<b>Net Book value January 1, 2020</b>	<b>1.830</b>	<b>10.702</b>	<b>11.869</b>	<b>524</b>	<b>3.505</b>	<b>28.430</b>
<b>COST</b>						
Additions of the period		165	77	442	258	942
Transfer from (to) inventories and tangible assets			1.379			1.379
Disposals			-19	-13	-28	-60
Impairment / write-off					-192	-192
Derecognition due to termination / expiration of lease contracts		-645		-172		-817
<b>ACCUMULATED DEPRECIATION</b>						
Depreciation of the period		-835	-3.140	-256	-704	-4.935
Disposals			6	10	5	21
Impairment / write-off			-88		192	104
Derecognition due to termination / expiration of lease contracts		339		121		460
<b>Net Book value December 31, 2020</b>	<b>1.830</b>	<b>9.726</b>	<b>10.084</b>	<b>656</b>	<b>3.036</b>	<b>25.332</b>
Cost	3.030	14.920	16.839	1.597	78.356	114.742
Accumulated depreciation	-1.200	-5.194	-6.755	-941	-75.320	-89.410
<b>Net Book value December 31, 2020</b>	<b>1.830</b>	<b>9.726</b>	<b>10.084</b>	<b>656</b>	<b>3.036</b>	<b>25.332</b>



Tangible Assets include Right-of-Use-Assets (RoU Assets) through Leases pursuant to IFRS 16:

GROUP	RIGHT OF USE ASSETS			Total
	BUILDINGS AND INSTALLATIONS	TRANSPORT EQUIPMENT	MACHINERY AND EQUIPMENT	
<b>Balance 01/01/2021</b>	<b>13.531</b>	<b>1.227</b>	<b>2.579</b>	<b>17.336</b>
Additions	4.331	721	191	<b>5.243</b>
Termination/expiration of contracts	-592	-3	0	<b>-595</b>
Foreign Exchange differences	391	-72	112	<b>430</b>
Effect from IAS 29	178	0	9	<b>188</b>
Change of consolidation method / Sale of subsidiary	-8	-13	0	<b>-21</b>
Depreciation	-2.620	-790	-895	<b>-4.304</b>
Write off of asset	-20	-54	0	<b>-74</b>
Transfers	0	0	0	<b>0</b>
<b>Balance 31/12/2021</b>	<b>15.191</b>	<b>1.016</b>	<b>1.997</b>	<b>18.204</b>

Below amounts recognized in Income Statement pursuant to IFRS 16:

GROUP (continuing operations)	01/01 - 31/12/2021
Depreciation from right of use assets	4.304
Interest expenses from lease liabilities	567
Rental expenses from short-term contracts	2.976
Rental expenses from contracts of low value assets	75
<b>Total amounts recognized in Income Statement</b>	<b>7.922</b>

COMPANY	RIGHT OF USE ASSETS			Total
	BUILDINGS AND INSTALLATIONS	TRANSPORT EQUIPMENT	MACHINERY AND EQUIPMENT	
<b>Balance 1/1/2021</b>	<b>6.435</b>	<b>637</b>	<b>0</b>	<b>7.073</b>
Additions	-20	165	32	<b>177</b>
Termination/expiration of contracts	-572	-2	0	<b>-575</b>
Write off of asset	-20	-54	0	<b>-74</b>
Depreciation	-392	-248	-5	<b>-644</b>
<b>Balance 31/12/2021</b>	<b>5.431</b>	<b>498</b>	<b>27</b>	<b>5.956</b>

## 2.15 INVESTMENT PROPERTIES

The Group did not hold investment properties as at 31/12/2021 and 31/12/2020.

The Company did not hold investment properties as at 31/12/2021 and 31/12/2020, apart from some buildings leased to its subsidiaries and therefore are classified as tangible assets.



**2.16 INTANGIBLE ASSETS**

GROUP	GOODWILL	SOFTWARE	DEVELOPMENT COSTS (Internally generated) <sup>1</sup>	OTHER	INDUSTRIAL PROPERTY RIGHTS & LICENSES	Total
<b>January 1, 2021</b>						
Cost	4.981	76.897	217.360	23.633	213.043	<b>535.913</b>
Accumulated depreciation	0	-54.776	-128.002	-19.445	-131.676	<b>-333.899</b>
<b>Net Book value January 1, 2021</b>	<b>4.981</b>	<b>22.121</b>	<b>89.358</b>	<b>4.188</b>	<b>81.367</b>	<b>202.014</b>
<b>COST</b>						
Additions of the period	0	811	3.870	5.588	50.474	<b>60.744</b>
Transfer of assets from (to) other category	0	-432	432	0	0	<b>0</b>
Transfer from (to) inventories and tangible assets	0	92	0	1.157	0	<b>1.249</b>
Effect from the application of IAS 29	0	1.437	0	12	0	<b>1.450</b>
Disposal of subsidiaries/change in consolidation method	0	-195	-918	0	0	<b>-1.114</b>
Disposals	0	-1	0	0	0	<b>-1</b>
Impairment / write off	-4.097	-18	-159	0	0	<b>-4.274</b>
Exchange differences	-582	420	-287	1.453	-9.121	<b>-8.118</b>
<b>ACCUMULATED DEPRECIATION</b>						
Depreciation of the period	0	-4.989	-11.001	-1.414	-18.558	<b>-35.962</b>
Disposals	0	0	0	0	0	<b>0</b>
Impairment / write-off	0	-1.310	-9.601	0	-185	<b>-11.096</b>
Effect from the application of IAS 29	0	-1.369	0	0	0	<b>-1.369</b>
Exchange differences	0	-214	224	-1.332	1.086	<b>-235</b>
Transfer from (to) other category	0	0	0	0	0	<b>0</b>
Transfer from (to) inventories and tangible assets	0	0	0	0	0	<b>0</b>
Disposal of subsidiaries/change in consolidation method	0	161	856	0	0	<b>1.018</b>
<b>Net book value December 31, 2021</b>	<b>302</b>	<b>16.516</b>	<b>72.773</b>	<b>9.653</b>	<b>105.063</b>	<b>204.306</b>
Cost	302	79.011	220.297	31.843	254.396	<b>585.850</b>
Accumulated depreciation	0	-62.496	-147.524	-22.190	-149.333	<b>-381.543</b>
<b>Net book value December 31, 2021</b>	<b>302</b>	<b>16.516</b>	<b>72.773</b>	<b>9.653</b>	<b>105.063</b>	<b>204.306</b>

<sup>1</sup> The internally generated intangible assets of the Group include a material intangible asset with net book value of €70.6 thousand on 31/12/2021 (central operating system – LOTOS and relevant modules, which supports the majority of the contracts of the Group). The remaining amortization period of the central operating system is up to 20 years whereas additions, upgrades and improvements to this asset are constant.

The Group (continuing operations) recognized impairment losses/write-offs of intangible fixed assets amount to €15.370 thousand (discontinued operations €0 thousand) during the period 1/1-31/12/2021 which were recognized in the income statement (in "Gain / (Losses) from assets disposal, impairment losses & write-off of assets" - note 2.8). The largest portion amount to €11.110 thousand related to the impairment loss on intangible assets of CGU "Sports Betting" as discussed below in the section Intangible Assets (except goodwill) impairment test.

The above amortization amount of the intangible assets of €35.962 thousand, includes €37 thousand related to amortization of discontinued operations.



GROUP	GOODWILL	SOFTWARE	DEVELOPMENT COSTS (Internally generated) <sup>1</sup>	OTHER	INDUSTRIAL PROPERTY RIGHTS & LICENSES	TOTAL
<b>January 1, 2020</b>						
Cost	6.848	116.875	197.946	26.271	182.158	530.098
Accumulated amortization	0	-50.813	-101.353	-20.061	-115.005	-287.232
<b>Net Book value January 1, 2020</b>	<b>6.848</b>	<b>66.062</b>	<b>96.593</b>	<b>6.210</b>	<b>67.153</b>	<b>242.866</b>
<b>COST</b>						
Additions of the period		4.436	8.592	957	3.337	17.322
Transfer of assets from (to) other category		-40.429	11.876	-2.294	30.847	0
Transfer from (to) inventories and tangible assets		-70		639		569
Effect from the application of IAS 29		179		10		189
Disposal of subsidiaries/change in consolidation method		-1.744		-300		-2.044
Disposals		-30		-3		-33
Impairment / write-off		-333				-607
Exchange differences	-1.867	-1.987	-1.054	-1.648	-274	-9.581
<b>ACCUMULATED DEPRECIATION</b>						
Amortization of the period		-5.626	-12.414	-850	-12.422	-31.312
Disposals		29		3		32
Impairment / write-off		-5.483	-13.070		-1.898	-20.451
Effect from the application of IAS 29		-122				-122
Exchange differences		1.404	872	1.526	35	3.837
Transfer of assets from (to) other category		4.415	-2.029	0	-2.386	0
Transfer from (to) inventories and/or tangible assets			-8	-121		-129
Disposal of subsidiaries/change in consolidation method		1.420		58		1.478
<b>Net Book value December 31, 2020</b>	<b>4.981</b>	<b>22.121</b>	<b>89.358</b>	<b>4.187</b>	<b>81.367</b>	<b>202.014</b>
Cost	4.981	76.897	217.360	23.632	213.043	535.913
Accumulated amortization	0	-54.776	-128.002	-19.445	-131.676	-333.899
<b>Net Book value December 31, 2020</b>	<b>4.981</b>	<b>22.121</b>	<b>89.358</b>	<b>4.187</b>	<b>81.367</b>	<b>202.014</b>

<sup>1</sup> The internally generated intangible assets of the Group include a material intangible asset with net book value of €85.792 thousand on 31/12/2020 (central operating system – LOTOS and relevant modules, which supports the majority of the contracts of the Group). The remaining amortization period of the central operating system is up to 20 years whereas additions, upgrades and improvements to this asset are constant.

The Group (continuing operations) recognized impairment losses/write-offs of intangible fixed assets amount to €21.058 thousand (discontinued operations €0 thousand) during the period 1/1-31/12/2020 which were recognized in the income statement (in "Gain / (Losses) from assets disposal, impairment losses & write-off of assets" - note 2.8). The largest portion amount to €21.022 thousand related to the impairment loss on intangible assets of CGU "Sports Betting" as discussed below in the section Intangible Assets (except goodwill) impairment test.

The above amortization amount of the intangible assets of €31.312 thousand, includes €144 thousand related to amortization of discontinued operations.



COMPANY	GOODWILL	SOFTWARE	DEVELOPMENT COSTS (Internally generated) <sup>1</sup>	OTHER	INDUSTRIAL PROPERTY RIGHTS & LICENSES	Total
<b>January 1, 2021</b>						
Cost	0	23,993	165,703	0	22,640	<b>212,336</b>
Accumulated depreciation	0	-23,199	-97,119	0	-21,240	<b>-141,559</b>
<b>Net Book value January 1, 2021</b>	<b>0</b>	<b>793</b>	<b>68,584</b>	<b>0</b>	<b>1,400</b>	<b>70,778</b>
<b>COST</b>						
Additions of the period	0	112	1,493	0	1,430	<b>3,035</b>
<b>ACCUMULATED DEPRECIATION</b>						
Depreciation of the period	0	-301	-7,150	0	-1,041	<b>-8,492</b>
Impairment / write-off	0	0	-7,415	0	-115	<b>-7,530</b>
Transfer from (to) other category	0	0	0	0	0	<b>0</b>
<b>Net book value December 31 2021</b>	<b>0</b>	<b>605</b>	<b>55,512</b>	<b>0</b>	<b>1,674</b>	<b>57,791</b>
Cost	0	24,105	167,196	0	24,070	<b>215,371</b>
Accumulated depreciation	0	-23,500	-111,684	0	-22,396	<b>-157,580</b>
<b>Net book value December 31 2021</b>	<b>0</b>	<b>605</b>	<b>55,512</b>	<b>0</b>	<b>1,674</b>	<b>57,791</b>

<sup>1</sup> The Company's internally generated intangible assets constitute a standalone asset (central operating system - LOTOS and related modules, which supports the majority of the Group's contracts). The remaining depreciation period of the central operating system is 20 years given that additions, upgrades and improvements to this asset are constant.

COMPANY	SOFTWARE	DEVELOPMENT COSTS (Internally generated) <sup>1</sup>	INDUSTRIAL PROPERTY RIGHTS & LICENSES	TOTAL
<b>January 1, 2020</b>				
Cost	23,706	157,622	21,198	202,526
Accumulated amortization	-20,945	-79,143	-19,709	-119,797
<b>Net Book value January 1, 2020</b>	<b>2,761</b>	<b>78,479</b>	<b>1,489</b>	<b>82,729</b>
<b>COST</b>				
Additions of the period	287	8,081	1,441	9,809
<b>ACCUMULATED DEPRECIATION</b>				
Amortization of the period	-574	-7,946	-1,188	-9,708
Impairment/Write off		-10,030	-2,022	-12,052
Transfer of assets from (to) other category	-1,680		1,680	0
<b>Net Book value December 31, 2020</b>	<b>794</b>	<b>68,584</b>	<b>1,400</b>	<b>70,778</b>
Cost	23,993	165,703	22,639	212,335
Accumulated amortization	-23,199	-97,119	-21,239	-141,557
<b>Net Book value December 31, 2020</b>	<b>794</b>	<b>68,584</b>	<b>1,400</b>	<b>70,778</b>



### **Intangible assets (except for Goodwill) impairment test**

Management tests Intangible assets (except for Goodwill) for impairment if events occur or changes in conditions indicate that the carrying value may not be recoverable in accordance with accounting practice described in note [2.1.11](#) "Intangible Assets".

The Group, due to the recent changes in revenue contracts portfolio, as well as the spread of COVID-19 pandemic, made an impairment test on 31/12/2021 for all operating systems that are used to its operating activities. The above intangible assets were classified for impairment testing purposes to the following cash generating units (CGU): "Lottery", "Sports Betting" and "VLT". The recoverable amount of each CGU was determined according to the calculations of Fair value less cost to sell since it was estimated that the value in use is lower than fair value. The determination is obtained by applying of Income Approach –Relief from Royalty method, in which the value of an intangible asset is determined by reference to the value of the hypothetical royalty payments that would be saved through owning the asset, as compared with licensing the intangible asset by a third party. The royalty rate that was applied was 13,5% and the discounting rate was 11,0%.

The test concluded that the carrying amount of the CGU "Sports Betting" exceeded the estimated recoverable amount, and the Group recognized an impairment loss, due to insufficient future revenue, of €11.273 thousand in Income Statement (in "Gain / (Losses) from assets disposal, impairment losses & write-off of assets" - note [2.8](#)). The above impairment loss is presented in the operating segment "European Union" (note [2.2](#)) The respective amount for Company amounted to €7.530 thousand.

#### **Impairment loss per intangible assets category:**

	<b>GROUP</b>	<b>COMPANY</b>
Software	1.328	0
Development Costs (Internally generated)	9.760	7.415
Industrial Property Rights & Licenses	185	115
<b>Total</b>	<b>11.273</b>	<b>7.530</b>

#### **Recoverable amount sensitivity analysis:**

On 31/12/2021, the Group analyzed the sensitivity of the recoverable amounts in a reasonable and possible change of some of the basic assumptions (such as the change of half (0,5) of a percentage point of royalty rate and the change of the discount rates of half (0,5) percentage point). This analysis does not show a situation in which the carrying amount of the Group's significant CGUs "Videolotto (VLT)" exceeds their recoverable amount.

Regarding CGUs "Sports Betting" and "Lotteries", the above analysis show that a reduction of the royalty rate by half (0,5) percentage point with a simultaneous increase of the discount rate by half (0,5) percentage point would lead to an additional impairment loss of approximately €3.900 thousand. Conversely, an increase in the percentage of royalty rate by half (0,5) percentage point with a simultaneous reduction of the discount rate by half (0,5) percentage point would lead to a lower impairment loss of approximately €3.800 thousand.

### **Goodwill and Intangible assets with indefinite useful life impairment test**

Management tests Goodwill for impairment annually (December 31) or more frequently if events occur or changes in conditions indicate that the carrying value may not be recoverable in accordance with accounting practice described in note [2.1.6](#) "Business Combination and Goodwill".

The Group proceeded with a goodwill impairment test on 31/12/2021 and the basic assumptions used to determine the recoverable amount are described below. The Group examined on 31/12/2021 the goodwill of

this subsidiary for impairment. The audit showed an impairment loss of €4.097 thousand, which was recorded in the Income Statement (note [2.8](#)).

The recoverable amounts of cash generating units have been determined based on value in use calculations using appropriate estimates regarding future cash flows and discount rates.

Specifically, goodwill arising on consolidation of acquired subsidiaries and intangible assets with indefinite useful life are allocated to the following cash generating units (CGU) by geographical area. Goodwill impairment testing is performed on subsidiary level.

#### Carrying amount:

CGU	Goodwill		Intangible assets with indefinite useful life	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
European Union	0	0	0	0
America	302	344	34	25
Other countries	0	4.637	0	0
<b>Total</b>	<b>302</b>	<b>4.981</b>	<b>34</b>	<b>25</b>

Net decrease in goodwill during the nine months of 2021 by €4.679 thousand due to provision impairment amount to €4.097 thousand as mentioned above, as well as amount of €582 thousand due to foreign currency translation losses from goodwill valuations related to foreign subsidiaries acquisitions, made by the Group in past periods, with functional currency other than Euro.

#### Key assumptions:

The recoverable amount of each CGU is determined according to the calculations of value in use. The determination is obtained by the present value of estimated future cash flows expected to be generated by each CGU (discounted cash flow method - DCF). The cash flows are derived from the most recent approved by the management budgets for the next three years and do not include estimated future cash inflows or outflows expected to arise from future restructurings or from improving or enhancing the asset's performance which is tested for impairment. The expected cash flow projections beyond the period covered by the most recent budgets is estimated by extrapolating the projections based on the budgets, using a steady or declining growth rate for subsequent years, which does not exceed the long-term average growth rate for products, industries, countries in which the Group operates, or for the market in which the asset is used. The Group makes estimates beyond the period of three years where it has signed revenue contracts beyond three years as well as in cases where management believes that based on market data and renewals track record of the Group, the renewal of the relevant contracts beyond the three year period is very possible. Cash flow projections are based on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset, giving greater weight to external evidence. Management assesses the reasonableness of the assumptions underlying the current cash flow projections by examining the causes of differences between past cash flow projections and actual cash flows. Management also ensures that the assumptions on which its current cash flow projections are based are consistent with past actual outcomes, provided that subsequent events or circumstances that did not exist when those actual cash flows were generated make this appropriate.

The value in use for CGUs affected (has sensitivity) of the following key factors (assumptions):

- Sales
- Growth rate in perpetuity (Perpetual Growth Rates), and
- Discount rates

#### Sales:

Sales projections are derived from estimates of local management of various subsidiaries. These projections are based on careful assessments of various factors, such as past performance, estimates of growth of the local market, competition - if exists, possible changes in the institutional framework governing the gambling



market, the economic situation of the gambling industry and the market in general, new opportunities such as lotteries privatizations, etc.

Sales growth rate:

CGU	2021	2020
European Union	n/a	n/a
America	20%-63,3%	20%-68,1%
Other countries	n/a	11%-63,3%

Growth rate in perpetuity

The factors taken into account for the calculation of the growth rate in perpetuity derive from external sources and include among others, the level of maturity of each market, the existence of barriers to entry for competitors, the economic situation of the market, existing competition and technology trends.

Growth rate in perpetuity:

CGU	2021	2020
European Union	n/a	n/a
America	10%	10%
Other countries	n/a	11%

Discount rates:

The discount rates represent the current market assessments of the risks personalized for each CGU, having made the necessary adjustments for the time value of money and possible risks specific to any assets that have not been included in the cash flow projections. The calculation of discount rates based on specific conditions under which the Group and its operating segments operate and calculated through the weighted average cost of capital method (WACC). The WACC takes into account both debt and equity. The cost of equity derives from the expected return that Group investors have for their investment. The Cost of debt is based on the interest rate of the loans that the Group must facilitate. The specific risk of each country is incorporated by implementing individualized sensitivity factors «beta» (beta factors). The sensitivity factors «beta» are evaluated annually based on published market data.

Discount rates:

CGU	2021	2020
European Union	n/a	n/a
America	32%	38%
Other countries	n/a	21,6%

Recoverable amount sensitivity analysis:

On 31/12/2021, the Group analyzed the sensitivity of the recoverable amounts in a reasonable and possible change of some of the basic assumptions (such as the change of one (1,0) percentage point to the growth rate in perpetuity and the change of the discount rates of one (1,0) percentage point). This analysis does not show a situation in which the carrying amount of the Group's significant CGUs exceeds their recoverable amount.

**2.17 INVESTMENT IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

GROUP INVESTMENT IN ASSOCIATES AND JOINT VENTURES	% Participation	Country	31/12/2021	31/12/2020
LOTTRICH INFORMATION Co LTD	40%	Taiwan	6.733	6.074
KARENIA ENTERPRISES COMPANY LTD	50%	Cyprus	6.696	6.713
Other			5	0
<b>Total</b>			<b>13.434</b>	<b>12.786</b>



GROUP INVESTMENT IN ASSOCIATES AND JOINT VENTURES	31/12/2021	31/12/2020
Opening Balance	12.786	37.305
Participation in net profit / (loss) of associates and joint ventures	214	-634
Exchange differences	685	-735
Impairment /Reverse of impairment	0	-4.153
Dividends	-252	-2.762
Transfer to Assets held for sale		-16.167
Additions in kind	5	
Other	-2	-70
<b>Closing Balance</b>	<b>13.434</b>	<b>12.786</b>

COMPANY INVESTMENT IN ASSOCIATES AND JOINT VENTURES	% Participation	Country	31/12/2021	31/12/2020
Lotrich Information Co LTD	40%	Taiβáv	5.131	5.131
<b>Total</b>			<b>5.131</b>	<b>5.131</b>

COMPANY INVESTMENT IN SUBSIDIARIES	% Participation	Country	31/12/2021	31/12/2020
INTRALOT HOLDINGS INTERNATIONAL LTD	100%	Cyprus	464	464
BETTING COMPANY S.A.	95%	Greece	139	139
INTELTEK INTERNET AS	100%	Turkey	1.020	266
BILYONER INTERAKTIF HIZMELTER AS GROUP	50,01%	Turkey	3.990	10.751
INTRALOT GLOBAL SECURITIES B.V.	100%	Netherlands	50.961	50.961
INTRALOT GLOBAL HOLDINGS B.V.	99,98%	Netherlands	76.374	54.772
INTRALOT IBERIA HOLDINGS S.A.	100%	Spain	5.638	5.638
Other			116	116
<b>Total</b>			<b>138.702</b>	<b>123.107</b>
<b>Grand Total</b>			<b>143.833</b>	<b>128.239</b>

COMPANY INVESTMENT IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES	31/12/2021	31/12/2020
Opening Balance	128.239	154.101
Provisions/ reversals of provisions for impairment of subsidiaries	-6.824	-3.047
Capitalization of receivables from subsidiaries	21.602	684
Transfer to Assets held for sale	0	-5.528
Return of subsidiaries' capital	0	-17.971
Acquisition of additional percentage in an existing subsidiary	816	0
<b>Closing Balance</b>	<b>143.833</b>	<b>128.239</b>

## 2.18 OTHER FINANCIAL ASSETS

The other financial assets that have been classified by the Group as "equity instruments at fair value through other comprehensive income" and as "debt instruments at amortized cost" are analyzed below:

	GROUP		COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Opening Balance	276	431	39	39
Purchases				
Return of capital				
Disposals	-99			
Receipts	-13	-30		
Fair value revaluation	-50	-95	41	1
Foreign exchange differences	-5	-31		
<b>Closing balance</b>	<b>109</b>	<b>276</b>	<b>80</b>	<b>39</b>
Quoted securities	109	276	80	39
Unquoted securities	0	0	0	0
<b>Total</b>	<b>109</b>	<b>276</b>	<b>80</b>	<b>39</b>
Long-term Financial Assets	97	262	80	39
Short-term Financial Assets	13	14	0	0
<b>Total</b>	<b>109</b>	<b>276</b>	<b>80</b>	<b>39</b>



During 2021, the Group losses arising from the valuation at fair value of the above financial assets amount to €50 thousand (2020: losses €95 thousand) are analyzed in losses amount to €50 thousand (2020: losses €112 thousand) reported in particular equity reserves (revaluation reserve) and in gain amount to €0 thousand (2020: gain €17 thousand) reported in the income statement. Respectively for the Company, gain amount to €42 thousand (2020: gain €0 thousand) are analyzed in gain amount to €42 thousand (2020: gain €0 thousand) that were reported in particular equity reserves (revaluation reserve).

For investments that are actively traded in organized financial markets, the fair value is determined by reference to the closing price at the reporting date. For investments where there is no corresponding market price, fair value is determined by reference to the current market value of another instrument that is substantially the same or estimated based on expected cash flows of the net assets underlying the investment or acquisition value.

## 2.19 OTHER LONG-TERM RECEIVABLES

	GROUP		COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Receivables from related parties (note 2.31.E)	695	1.408	15	28
Minus: Provisions for doubtful receivables	0	-445	0	0
Guarantees	1.258	3.994	31	84
Other receivables	1.240	453	0	0
Minus: Provisions for doubtful receivables	0	0	0	0
<b>Total</b>	<b>3.194</b>	<b>5.411</b>	<b>45</b>	<b>112</b>

Reconciliation of changes in provisions for impairment of long-term receivables	GROUP		COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
<b>Opening Balance</b>	<b>-445</b>	<b>-3.453</b>	<b>0</b>	<b>-24.203</b>
Provisions for the period for receivables from third parties	0	0		
Transfer from/to short term receivables			0	160
Transfer to investments in subsidiaries				24.043
Sale of subsidiary	444	2.824		
Exchange differences	1	183		
<b>Closing Balance</b>	<b>0</b>	<b>-445</b>	<b>0</b>	<b>0</b>

## 2.20 TRADE AND OTHER SHORT-TERM RECEIVABLES

	GROUP		COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Trade receivables (third parties) <sup>2</sup>	76.861	91.306	35.186	34.586
Minus: Doubtful provisions	-10.730	-9.526	-7.312	-6.734
Trade receivables from related entities and other related parties (note 2.31.E)	9.834	7.931	28.770	63.124
Minus: Doubtful provisions	-5.037	-5.037	-5.259	-5.390
<b>Total trade receivables</b>	<b>70.928</b>	<b>84.674</b>	<b>51.385</b>	<b>85.586</b>
Other receivables (third parties) <sup>2</sup>	7.952	11.340	4.837	5.108
Minus: Doubtful provisions	-1.465	-1.305	-778	-778
Other receivables from related entities and other related parties (note 2.31.E)	6.786	5.838	26.831	12.966
Minus: Doubtful provisions	-1.060	-1.060	-1.060	-1.060
Pledged bank deposits <sup>1</sup>	8.378	5.295	4.657	1.774
Tax receivables	29.871	37.246	18.012	20.120
Prepaid expenses and other receivables	8.809	9.376	1.291	1.800
<b>Total other receivables</b>	<b>59.271</b>	<b>66.730</b>	<b>53.790</b>	<b>39.930</b>
<b>Total</b>	<b>130.198</b>	<b>151.403</b>	<b>105.177</b>	<b>125.516</b>

<sup>1</sup> The Group on 31/12/2021 includes collateralized bank deposits as security coverage for banking facilities amounting €8.253 thousand (31/12/2020: €4.929 thousand) and other collateralized bank deposits amount to €125 thousand (31/12/2020: €366 thousand). The Company includes on 31/12/2021 collateralized bank deposits as security coverage for banking facilities amounting €4.536 thousand (31/12/2020: €1.650 thousand).



thousand.), as well as other collateralized bank deposits as security coverage for banking facilities amounting €122 thousand (31/12/2020: €124 thousand).

2 The account «Trade receivables (third parties)» and «Other receivables (third parties)» of the Company and the Group as at 31/12/2021 include a receivable from the "Hellenic Organization of Horse Racing S.A." (ODIE) amount to €28,8 million (31/12/2020: €29,1 million) that was overdue until November 2015 and had not been impaired. In November 2015, an agreement was signed between the Company and ODIE which set the repayment of all of the above receivables of the Company. With this agreement ODIE granted the Company 2/3 of the rent which it will receive from the lease of property of ODIE (Markopoulos facilities) to the company "Ippodromies SA ". The payment of the assigned lease to the Company has already started from January 2016. The whole of this receivable is covered by collateral as disclosed in note 2.32.A."Contingent liabilities" - "Litigation cases". We also note that the Company assesses the risk of non-collectability as minimum, given both the public character of ODIE, and the reception of physical collateral (first mortgage and note of mortgage) on the above-mentioned property of ODIE. The record of the above physical collateral, was made for the amount of €20,9 million against the real estate and the facilities of ODIE in Markopoulos, that have a multiple fair value, making the collection of the claim as fully secured.

Pursuant to IFRS 9, for the determination of the expected credit losses and the recognition of relevant doubtful provisions, the Group followed the general model as described in paragraph [2.1.12.I.d](#) of accounting policies. Subsequent changes in market conditions and the business model of the Group may affect the below estimations.

On December 31, 2021 and 2020, the trade receivables and the doubtful provisions are as follows:

31/12/2021	GROUP		COMPANY	
	Trade receivables	Doubtful provisions	Trade receivables	Doubtful provisions
Not past due	16.264	0	1.664	0
Past due less than 30 days	24.953	-1.022	1.112	0
Past due 30-60 days	711	0	-200	0
Past due 60-90 days	118	-6	87	0
Past due 90-120 days	6	0	9.371	0
Past due more than 120 days <sup>1</sup>	44.643	-14.740	51.922	-12.571
<b>Total</b>	<b>86.695</b>	<b>-15.768</b>	<b>63.956</b>	<b>-12.571</b>
	<b>70.928</b>		<b>51.385</b>	

31/12/2020	GROUP		COMPANY	
	Trade receivables	Doubtful provisions	Trade receivables	Doubtful provisions
Not past due	26.831	0	11.793	0
Past due less than 30 days	7.989	-4	413	0
Past due 30-60 days	3.138	0	656	0
Past due 60-90 days	3.712	-195	432	0
Past due 90-120 days	1.880	-25	102	0
Past due more than 120 days <sup>1</sup>	55.687	-14.340	84.314	-12.124
<b>Total</b>	<b>99.237</b>	<b>-14.563</b>	<b>97.710</b>	<b>-12.124</b>
	<b>84.674</b>		<b>85.586</b>	

<sup>1</sup> The Company and the Group are subject to a commercial claim of €24,9 million by the Hellenic Horse Racing Agency (ODIE), for which the risk not to recover it is estimated to be minimal, as described above, and therefore the relevant provision hasn't been formed.

Reconciliation of changes in provisions for impairment of short-term receivables	GROUP		COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
<b>Opening Balance</b>	-16.929	-19.952	-13.962	-17.411
Provisions for the period for receivables from subsidiaries <sup>1</sup>	0	0	0	-132
Provisions for the period for receivables from third parties <sup>2</sup>	-2.024	-753	-578	0
Provisions utilized for receivables from subsidiaries	0	0	0	1.029
Provisions utilized for receivables from third parties	323	3.216	0	0
Reversed provisions for receivables from subsidiaries	0	0	131	0
Reversed provisions for receivables from third parties	80	593	0	0
Subsidiaries disposal/change in consolidation method	213	-262	0	0
Transfer from/to long term receivables	0	0	0	-160



Exchange differences	45	201	0	0
IAS 19 application	0	28	0	0
Transfer to investments to subsidiaries	0	0	0	2,713
<b>Closing Balance</b>	<b>-18.292</b>	<b>-16.928</b>	<b>-14.409</b>	<b>-13.962</b>

<sup>1</sup> Relating to impairment provision of receivables from subsidiary and other related party of the Group derived either from machinery and equipment disposal and services rendered or from loan contracts.

<sup>2</sup> Relating to impairment provision of receivables from debtors (third parties outside the Group) derived from commercial transactions in the ordinary course of business.

**The maturity information of short-term and long-term receivables is as follows:**

RECEIVABLES	GROUP		COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Trade receivables	76.861	91.306	35.186	34.586
Provisions for doubtful receivables	-10.730	-9.526	-7.312	-6.734
Receivables from related parties (note 2.31.E)	17.316	15.177	55.615	76.118
Provisions for doubtful receivables	-6.097	-6.543	-6.318	-6.450
Pledged bank deposits	8.378	5.295	4.657	1.774
Tax receivables	29.871	37.246	18.012	20.120
Guarantees	1.258	3.994	31	84
Prepaid expenses, advances and other receivables	18.000	21.169	6.128	6.909
Provisions for doubtful receivables	-1.465	-1.305	-778	-778
<b>Total</b>	<b>133.392</b>	<b>156.813</b>	<b>105.221</b>	<b>125.629</b>
<b>MATURITY INFORMATION</b>				
0-3 months	33.450	36.578	1.330	14.973
3-12 months	96.749	114.824	103.847	110.543
More than 1 year	3.194	5.411	45	112
<b>Total</b>	<b>133.392</b>	<b>156.813</b>	<b>105.221</b>	<b>125.629</b>

**2.21 INVENTORIES**

	GROUP		COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Merchandise – Equipment	16.325	22.064	3.593	7.875
Other	3.780	5.112	0	0
<b>Total</b>	<b>20.106</b>	<b>27.176</b>	<b>3.593</b>	<b>7.875</b>
Provisions for impairment	-1.449	-1.473	0	0
<b>Total</b>	<b>18.657</b>	<b>25.704</b>	<b>3.593</b>	<b>7.875</b>

The burden for 2021, from disposals/usage and provision of inventories for the Group amounts to €9.644 thousand (2020: €17.044 thousand) while for the Company amounts to €1.367 thousand (2020: €2.990 thousand) and is included in "Cost of Sales".

Reconciliation of changes in inventories provision for impairment	GROUP		COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
<b>Opening balance for the period</b>	<b>-1.473</b>	<b>-1.499</b>	<b>0</b>	<b>0</b>
Provisions of the period		-422		
Foreign exchange differences	24	26		
Sale of subsidiary		422		
<b>Closing balance for the period</b>	<b>-1.449</b>	<b>-1.473</b>	<b>0</b>	<b>0</b>

There are no liens on inventories.

**2.22 CASH AND CASH EQUIVALENTS**

Bank current accounts are either non-interest bearing or interest bearing and yield income at the daily bank interest rates.

The short-term deposits are made for periods from one day to three months depending on the Group's cash requirements and yield income at the applicable prevailing interest rates.

For the purposes of the statement of cash flows, cash and cash equivalents consist of:



	GROUP		COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Cash and bank current accounts	104.823	97.505	8.338	7.959
Short term time deposits/investments (cash equivalents)	2.516	2.479	0	0
<b>Total</b>	<b>107.339</b>	<b>99.984</b>	<b>8.338</b>	<b>7.959</b>

## 2.23 SHARE CAPITAL, TREASURY SHARES AND RESERVES

### Share Capital

	31/12/2021	31/12/2020
<b>Total number of authorized shares</b>		
Ordinary shares of nominal value €0,30 each	152.261.721	156.961.721
<b>Issued and fully paid shares</b>	<b>Ordinary Shares</b>	<b>€'000</b>
<b>Balance December 31, 2021</b>	<b>152.261.721</b>	<b>45.679</b>

### Treasury Shares

#### Share buyback program 11.6.2014 - 11.6.2018:

The Company, according to article 16, C.L. 2190/1920, article 4.1.4.2 of the regulation of ATHEX and based on the resolution of the Shareholder's Annual General Meeting on 11.6.2014, as amended by the resolution of the Shareholder's Annual General Meeting of 19.5.2015 and 18.5.2017, has approved a treasury shares buy-back program from the Company, of up to 10% of the paid share capital, for the time period of 24 months with effect from 11.06.2014 and until 11.06.2018, with a minimum price of €1,00 and maximum price of €12,00. It has also been approved that the treasury shares which will eventually be acquired may be held for future acquisition of shares of another company or be distributed to the Company's employees or the staff of a company related with it. The above programme was cancelled with a relevant decision of the Shareholder's Annual General Meeting on 16.5.2018.

#### Share buyback program 16.5.2018 - 16.5.2020:

The Company, according to article 16, C.L. 2190/1920, article 4.1.4.2 of the regulation of ATHEX and based on the resolution of the Shareholder's Annual General Meeting on 16.5.2018, has approved a treasury shares buy-back program from the Company, of up to 10% of the paid share capital, including treasury shares which might have been acquired and held by the Company (on 16/5/2018 amounted 748.661 treasury shares that is 0,48% of the share capital following the cancelation of 2.000.000 treasury shares and a relevant decrease in the share capital of the Company as approved by the Shareholder's Annual General Meeting for a period of 24 months with effect from 16.5.2018 and until 16.5.2020, with a minimum price of €0,30 and maximum price of €12,00 cancelling the previous programme that was about to end on 11.6.2018. It has also been approved that the treasury shares which will eventually be acquired may be held for future acquisition of shares of another company or be distributed to the Company's employees or the staff of a company related with it.

During 2018, the Company purchased 9.218.779 treasury shares (5,87% of the Company's share capital) at an average price of €0,93 per share, totalling €8.589 thousand. Until 31/12/2020 the Company had 9.200.033 treasury shares (5,86% of the company's share capital) with average price €0,93 per share, with total price of €8.528 thousand subtracting 2.000.000 treasury shares (1,27% of the share capital of the Company) at an average purchase price of €1,10, that were cancelled from the Shareholder's Annual General Meeting of 16.05.2018.

#### Share buyback program 29.05.2020 - 29.05.2022:

According to article 49, Law 4548/2018, article 4.1.4.2 of the regulation of ATHEX and based on the resolution of the Shareholder's Ordinary General Meeting which took place on the 29.05.2020, that a



treasury shares buy – back program by the Company of up to 10% of its paid share capital, taking into account the shares which had been acquired and held by the Company (in the amount of 9.200.033 treasury shares as of 29.05.2020, that is 5,861% of its share capital), for a period of 24 months with effect from 29.05.2020 and until 29.05.2022, with a minimum price of €0,30 and maximum price of €12, is approved. It was approved also that the treasury shares which will eventually be acquired may be distributed to its personnel and/or to the personnel of Company's affiliates and/or to be kept for future acquisition of shares in another company.

Treasury shares	GROUP		COMPANY	
	Number of ordinary shares	€ '000	Number of ordinary shares	€ '000
<b>Balance December 31, 2021</b>	<b>3.724.936</b>	<b>3.018</b>	<b>3.724.936</b>	<b>3.018</b>

INTRALOT, in accordance with the current legislation and its relevant announcement dated 13/04/2021 and 11/05/2021, informed that, by May 31 2021, it completed the sale of 775.097 own shares, or 0,49% of its total share capital, with an average selling price of €0,16 per share and a total value of €126.392,04. The Annual General Meeting of the Company's shareholders that took place on June 29, 2021 decided the reduction of the Company's share capital by the amount of one million four hundred ten thousand euro (€1.410.000,00) through the reduction of the total number of shares from 156.961.721 to 152.261.721 common registered shares, due to the cancellation of four million seven hundred thousand (4.700.000) own common registered shares, with the amendment of article 5 of the Company's Articles of Association. Therefore, INTRALOT holds 3.724.936 own shares, which represent 2,45% of its total share capital.

## Reserves

### Foreign exchange differences reserve

This reserve is used to report the exchange differences arising from the translation of foreign subsidiaries' financial statements. The balance of this reserve in the Group on 31/12/2021 was €-96,9 million (31/12/2020: €-100,9 million). The Group had a total net gain which was reported in the statement of comprehensive income from the change in the fair value reserve during 2021 amounting to €3,1 million, out of which gain of €4,7 million is attributable to the owners of the parent and a loss of €1,6 million to non-controlling interest. The above total net loss for 2021 comes mainly from the negative fluctuation of USD, TRY and ARS against the EUR.

In 2021, an accumulated loss of €42 thousand was reclassified/recycled in the income statement (line "Profit / (loss) after tax from discontinued operations") from the reserve of foreign exchange differences due to sale of subsidiaries Intralot do Brazil Ltda & OLTP Ltda and of the associate Intralot de Peru SAC. Moreover, in 2021, a cumulative gain of € 1.104 thousand was reclassified / recycled to the income statement (line "Foreign Exchange differences") from the foreign exchange differences reserve due to liquidation of subsidiaries and associates.

Also, in 2020, an accumulated loss of €153 thousand was reclassified/recycled in the income statement (line "Foreign Exchange Differences") from the reserve of foreign exchange differences due to the liquidation of subsidiaries companies.

The main exchange rates of abroad subsidiaries financial statements conversion were:

• **Statement of Financial Position:**

	31/12/2021	31/12/2020	Change
EUR / USD	1,13	1,23	-7,7%
EUR / AUD	1,56	1,59	-1,8%
EUR / TRY	15,23	9,11	67,2%
EUR / ARS	116,94	102,85	13,7%
EUR / BRL	6,31	6,37	-1,0%

• **Income Statement:**

	AVG 1/1- 31/12/2021	AVG 1/1- 31/12/2020	Change
EUR / USD	1,18	1,14	3,5%
EUR / AUD	1,57	1,65	-4,8%
EUR / TRY	10,51	8,05	30,5%
EUR / ARS <sup>1</sup>	116,94	102,85	13,7%
EUR / BRL	6,38	5,89	8,2%

<sup>1</sup> The Income Statement of 2021 and 2020 of the Group's subsidiaries operating in Argentina was converted at the closing rate of 31/12/2021 and 31/12/2020 instead of the Avg. 1/1-31/12/2021 and 1/1-31/12/2020 pursuant to IAS 21, paragraph 42a, for hyperinflationary economies.

**Other Reserves**

	GROUP		COMPANY	
	31/12/2021	31/12/2020 Restated *	31/12/2021	31/12/2020 Restated *
Statutory Reserve	24.309	23.638	15.896	15.896
Extraordinary Reserves	4.190	1.740	1.456	1.456
Tax Free and Specially Taxed Reserves	40.655	40.658	38.091	38.091
Treasury shares reserve	-760	5	-760	5
Actuarial differences reserve	-56	-73	-46	-66
Revaluation reserve	651	-207	-119	-158
<b>Total operations</b>	<b>68.989</b>	<b>65.760</b>	<b>54.518</b>	<b>55.222</b>

\*Restated due to change in accounting policy (note [2.1.4](#))

**Statutory reserve**

Some of the Group companies are obliged, according to commercial laws in force in the country based, to form a percentage of their annual net profit as reflected in their statutory books to a legal reserve. Under Greek corporate law, companies are required to form at least 5% of their annual net profit as reflected in their statutory books to a legal reserve until the aggregate amount of legal reserve reaches at least 1/3 of the share capital. This reserve cannot be distributed during the Company's operation. Statutory reserve as of 31 December 2021 amounts to €24,3 million for the Group and €15,9 million for the Company (31/12/2020: €23,6 million and €15,9 million respectively).

**Extraordinary Reserves**

They concern among other, reserves formed under development laws, from the Company and certain subsidiaries of the Group. For these reserves the tax liability has run out or permanently exempted from taxation and therefore their distribution does not create further tax burden on the Group and Company. Extraordinary reserves on 31 December 2021 amount to €4,2 million for the Group and €1,5 million for the Company (31/12/2020: €1,7 million and €1,5 million respectively).



### **Tax free and specially taxed reserves**

Tax-free and specially taxed reserves represent investment or development laws, and special laws reserves and interest income, which are either tax free or taxed at 15% at source.

These revenues are not taxable provided that there are sufficient profits from which can be formed relative untaxed reserves. According to the Greek tax legislation, these reserves are exempt from income tax, provided they are not distributed to shareholders. The distribution of the balance of these reserves can only occur following the approval of shareholders in a regular meeting and if the applicable taxation is paid. The Group does not intend to distribute the balance of these reserves and therefore has not calculated the tax liability that would arise from the distribution. Also the dividends received or received from resident companies which have their registered office in another member state of the European Union, in which the resident company participates within the meaning of article 11 of L.2578/1998, and the articles 48 & 63 of (L.4172/2013) are exempt from taxation. The exempt amount is shown in a special reserve account (POL.1007 / 2014), irrespective of the profitability or not. If this or any part of the reserve is distributed or capitalized, the amount of the reserve is not added to earnings aggregated with other earnings. The balance of the tax free and specially taxed reserves on 31 December 2021 was €40,7 million for the Group (31/12/2020: €40,7 million) and €38,1 million for the Company (31/12/2020: €38,1 million).

### **Treasury shares reserve**

It relates to profits or losses arising from the sale, re-issue or cancellation of treasury shares and amounted to €-760 thousand for the Group and the Company on 31/12/2021 (31/12/2020: €5 thousand).

### **Actuarial differences reserve**

It concerns actuarial gains / losses arising from actuarial studies performed by the Group to its subsidiaries for the various benefit plans to employees. The actuarial differences reserve on 31 December 2021 amount to €-56 thousand for the Group and €-46 thousand for the Company (31/12/2020: €-73 thousand and €-66 thousand respectively).

### **Revaluation Reserve**

It concerns changes in the fair value of assets through other comprehensive income amount on 31 December 2021 to €651 thousand for the Group and €-119 thousand for the Company (31/12/2020: €-207 thousand and €-158 thousand respectively).

**Analysis of changes in other comprehensive income by category of reserves**

<b>GROUP 1/1-31/12/2021</b>	<b>Actuarial differences Reserve</b>	<b>Revaluation Reserve</b>	<b>Foreign exchange differences Reserve</b>	<b>Retained Earnings</b>	<b>Total</b>	<b>Non-controlling interest</b>	<b>Grand Total</b>
Defined benefit plans revaluation for subsidiaries and parent company	16	0	0	-2	14	-3	12
Valuation of assets measured at fair value through other comprehensive income of parent and subsidiaries	0	-50	0	0	-50	0	-50
Foreign exchange differences on consolidation of subsidiaries	0	0	3.369	0	3.369	-1.582	1.787
Share of foreign exchange differences on consolidation of associates and joint ventures	0	0	1.329	0	1.329	0	1.329
<b>Total operations</b>	<b>16</b>	<b>-50</b>	<b>4.698</b>	<b>-2</b>	<b>4.662</b>	<b>-1.585</b>	<b>3.078</b>

<b>GROUP 1/1-31/12/2020 Restated *</b>	<b>Actuarial differences Reserve</b>	<b>Revaluation Reserve</b>	<b>Foreign exchange differences Reserve</b>	<b>Retained Earnings</b>	<b>Total</b>	<b>Non-controlling interest</b>	<b>Grand Total</b>
Defined benefit plans revaluation for subsidiaries and parent company	-86	0	0	-35	-121	-21	-143
Revaluation of defined benefit plans of associates and joint ventures	0	0	0	0	0	0	0
Valuation of assets measured at fair value through other comprehensive income of parent and subsidiaries	0	-112	0	0	-112	0	-112
Foreign exchange differences on consolidation of subsidiaries	0	0	-12.914	0	-12.914	-2.257	-15.171
Share of foreign exchange differences on consolidation of associates and joint ventures	0	0	-735	0	-735	0	-735
<b>Total operations</b>	<b>-86</b>	<b>-112</b>	<b>-13.650</b>	<b>-35</b>	<b>-13.883</b>	<b>-2.278</b>	<b>-16.161</b>

\*Restated due to change in accounting policy (note 2.1.4)



COMPANY 1/1-31/12/2021	Actuarial differences Reserve	Revaluation Reserve	Total
Defined benefit plans revaluation	20	0	<b>20</b>
Valuation of assets measured at fair value through other comprehensive income	0	41	<b>41</b>
<b>Other comprehensive income / (expenses) after tax</b>	<b>20</b>	<b>41</b>	<b>61</b>

COMPANY 1/1-31/12/2020 Restated *	Actuarial differences Reserve	Revaluation Reserve	Total
Defined benefit plans revaluation	-64	0	<b>-64</b>
Valuation of assets measured at fair value through other comprehensive income	0	1	<b>1</b>
<b>Other comprehensive income / (expenses) after tax</b>	<b>-64</b>	<b>1</b>	<b>-63</b>

\*Restated due to change in accounting policy (note 2.1.4)

## 2.24 DIVIDENDS

Declared dividends of ordinary shares:	GROUP		COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Final dividend of 2012		509	0	0
Final dividend of 2019		8.366	0	0
Final dividend of 2020	4.318		0	0
First dividend of 2021	688		0	0
<b>Dividend per statement of changes in equity</b>	<b>5.006</b>	<b>8.875</b>	<b>0</b>	<b>0</b>

### Paid Dividends on ordinary shares:

During 2021 dividends paid on ordinary shares, aggregated € 6.479 thousand (2020: € 8.461 thousand).

## 2.25 DEBT

### Long-term loans and lease liabilities:

	Currency	Interest rate	GROUP		COMPANY	
			31/12/2021	31/12/2020	31/12/2021	31/12/2020
Facility A (€250,0 million)	EUR	6,75%	0	253.313	0	0
Facility B (€500,0 million)	EUR	5,25%	500.266	497.832	0	0
Facility SSN (\$242,1 million)	EUR	7,09% - 8,87%	220.500	0	0	0
Extra Facility (\$11,9 million)	EUR	7,09% - 8,87%	10.866	0	0	0
Supplemental Indenture (€2,1 million)	EUR	0,001%	2.073	0	0	0
Intercompany Loans			0	0	252.678	308.338
Other			3.286	15.661	0	0
<b>Total Loans (long-term and short-term) before repurchasing</b>			<b>736.992</b>	<b>766.806</b>	<b>252.678</b>	<b>308.338</b>
Less: Payable during the next year			-13.678	-272.032	-2.253	0
Repurchase of Facility B			-144.509	-26.078	0	0
<b>Long-term loans after repurchasing</b>			<b>578.805</b>	<b>468.695</b>	<b>250.425</b>	<b>308.338</b>
Long-term lease liabilities <sup>1</sup>			9.179	7.469	519	1.193
<b>Total long-term debt (loans and lease liabilities)</b>			<b>587.984</b>	<b>476.165</b>	<b>250.945</b>	<b>309.531</b>

<sup>1</sup> In the Group and the Company on 31/12/2021 included Long-term lease liabilities from other related parties amount to €4.610 thousand and €223 thousand respectively (note 2.31.E).



**Short-term loans and lease liabilities:**

	Currency	Interest rate	GROUP		COMPANY	
			31/12/2021	31/12/2020	31/12/2021	31/12/2020
Facility A (€250,0 million)			0	253.313	0	0
Facility B (€500,0 million)			6.847	6.843	0	0
Facility SSN (\$242,1 million)	EUR	7,09% - 8,87%	6.733	0	0	0
Extra Facility (\$11,9 million)	EUR	7,09% - 8,87%	332	0	0	0
Supplemental Indenture (€2,1 million)	EUR	0,001%	0	0	0	0
Other			1.744	12.653	2.253	0
<b>Short-term loans before repurchasing</b>			<b>15.656</b>	<b>272.808</b>	<b>2.253</b>	<b>0</b>
Repurchasing Facility B			-1.978	-776	0	0
<b>Short-term loans after repurchasing</b>			<b>13.678</b>	<b>272.032</b>	<b>2.253</b>	<b>0</b>
Short-term lease liabilities <sup>1</sup>			2.857	2.882	269	450
<b>Total short-term debt (loans and lease liabilities)</b>			<b>16.535</b>	<b>274.914</b>	<b>2.522</b>	<b>450</b>

<sup>1</sup> In the Group and the Company as at 31/12/2021 included Short-term lease liabilities from other related parties amount to €261 thousand and €70 thousand respectively (note [2.31.E](#)).

	GROUP		COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
<b>Total debt (loans and lease liabilities)</b>	<b>604.519</b>	<b>751.078</b>	<b>253.467</b>	<b>309.982</b>

- Facility A: In September 2016, Intralot Capital Luxembourg, issued Senior Notes with a nominal value of €250 million, guaranteed by the parent company and subsidiaries of the Group, due 15 September 2021. The Notes were offered at an issue price of 100,000%. Interest is payable semi-annually at an annual fixed nominal coupon of 6,75%. The Notes are trading on the Luxembourg Stock Exchanges Euro MTF Market. The Notes bear the Group financial covenants for incurring additional debt with respect to total Net Debt (senior) to EBITDA (EBITDA/ "Consolidated Cash Flow") (Senior Leverage ratio <3,75), and financial expenses coverage ratio (Fixed Charge Coverage ratio >2,00). On 15/9/2020 this Facility was reclassified from long-term to short-term in accordance with IAS 1. The Group following the entrance into a Supplemental Indenture to amend certain terms of Facility A on 28/6/2021 and its utilization on 30/6/2021, as described in more detail below, on 3/8/2021 proceeded to the exchange of 98,99% of the nominal value of Facility A with New Notes with a nominal value of \$242.111.911 due September 2025 that were issued by subsidiary Intralot, Inc.
- Facility B: In September 2017, Intralot Capital Luxembourg issued Senior Notes with a nominal value of €500,0 million, guaranteed by the parent company and subsidiaries of the Group, due 15 September 2024. The Notes were offered at an issue price of 100,000%. Interest is payable semi-annually at an annual fixed nominal coupon of 5,25%. The Notes are trading on the Luxembourg Stock Exchanges Euro MTF Market. The Notes bear the Group financial covenants for incurring additional debt with respect to total Net Debt (senior) to EBITDA (EBITDA/ "Consolidated Cash Flow") (Senior Leverage ratio <3,75), and financial expenses coverage ratio (Fixed Charge Coverage ratio >2,00). The Group proceeded to the repurchase of bonds 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 3/8/2021 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 Facility B with a nominal value of €118.240.000 who participated in the exchange. Following the above procedure, these Notes came to the possession of Intralot Global Holdings B.V.. So, the total outstanding nominal value of Facility B on 3/8/2021 came up to €355,6 million.



- **Facility SSN & Extra Facility:** On August 3rd, 2021, New Notes (Facility SSN) with a nominal value of \$242.111.911 due September 2025 were issued by US based Intralot, Inc., in exchange for existing Notes maturing in September 2021 with nominal value of €247.471.724,07 (corresponding to an 18% discount), which were then cancelled. At the same date, additional notes (Extra Facility) with a nominal value of \$11.931.000 due September 2025 were issued by Intralot, Inc. in cash that were used for other corporate purposes. Interest is payable semi-annually for both facilities at an annual fixed nominal coupon of 7.09% until 15/9/2023, 8.19% from 15/9/2023 to 15/9/2024 and 8.87% from 15/9 / 2024 until 15/9/2025. The Notes bear the US Sub-group financial covenants for incurring additional debt with respect to the total Net Debt (senior) to EBITDA (EBITDA/ "Consolidated Cash Flow") (Senior Leverage ratio <3,75).
- **Supplemental Indenture:** On August 3<sup>rd</sup>, 2021, New Notes (Supplemental Indenture) with a nominal value of € 2.073.186 due in September 2050 were issued by Intralot Capital Luxembourg, guaranteed by the parent company and subsidiaries of the Group.

The Group under the Senior Notes (Facility B) terms will be able to incur additional debt so long as on an actual basis its consolidated fixed charge coverage ratio is at least 2,00 (31/12/2021: approx. 2,86), and will be able to incur additional senior debt as long as on an actual basis its total Net Debt (senior) to EBITDA consolidated (Senior leverage ratio) is not more than 3,75 (31/12/2021: approx. 4,36). Furthermore, to the above, the Group can incur additional debt from specific baskets. Additionally, under the New Senior Notes (Facility SSN & Extra Facility), the Group, through its subsidiary Intralot Inc., will be able to incur additional debt as long as on an actual basis its total Net Debt (senior) to EBITDA consolidated (Senior leverage ratio) is not more than 3,75 (31/12/2021: in compliance).

The Company, the subsidiaries of the Group or other related parties, or agents on its or their behalf, may from time to time purchase and/or re-sell bonds of the Group in one or more series of open-market transactions from time to time. The Group does not intend to disclose the extent of any such purchase or re-sale otherwise than in accordance with any legal or regulatory obligation the Group may have to do so.

- **Other facilities:**

Facility C: In February and March 2020 Intralot Global Holdings BV signed a loan agreement, with relevant securities on financial assets, amounting up to €18 million as a revolving facility and issuing bank letters of guarantee. Loan agreement bears a floating reference rate (relevant bank's cost of funding cost) plus a 1,65% margin. The above revolving facility has been fully paid as at 30/6/2021 and the in-force letters of guarantee amounted to €10,2 million.

#### Maturity analysis of lease liabilities

GROUP	Minimum of the lease payments	Present value of the minimum lease payments	Minimum of the lease payments	Present value of the minimum lease payments
	31/12/2021	31/12/2021	31/12/2020	31/12/2020
Within 1 year	3.363	2.857	3.278	2.882
Between 2 and 5 years	7.241	6.421	6.261	5.647
Over 5 years	3.076	2.758	2.059	1.822
Minus: Interest	-1.644	0	-1.247	0
<b>Total</b>	<b>12.036</b>	<b>12.036</b>	<b>10.351</b>	<b>10.351</b>

COMPANY	Minimum of the lease payments 31/12/2021	Present value of the minimum lease payments 31/12/2021	Minimum of the lease payments 31/12/2020	Present value of the minimum lease payments 31/12/2020
Within 1 year	308	269	535	450
Between 2 and 5 years	556	519	1.235	1.114
Over 5 years	0	0	87	79
Minus: Interest	-76	0	-214	0
<b>Total</b>	<b>788</b>	<b>788</b>	<b>1.643</b>	<b>1.643</b>



**Reconciliation of liabilities arising from financing activities:**

Group	Non cash adjustments							BALANCE 31/12/2021	
	BALANCE 31/12/2020	Cash flows	Accrued interest	Foreign exchange differences & IAS 29 effect	Transfers	Impact from debt restructuring	Purchases of fixed assets under leases/contract cancellation		Change of consolidation method & other transfers
Long term loans	468.695	-14.057	31.778	10.947	-7.252	88.694	0	0	578.805
Short term loans	272.032	-38.942	24.394	146	7.252	-251.204	0	0	13.678
Long term lease liabilities	7.469	-4.190	564	334	-223	0	5.226	0	9.179
Short term lease liabilities	2.882	-285	3	49	233	0	0	-25	2.857
<b>Total liabilities from financing activities</b>	<b>751.078</b>	<b>-57.474</b>	<b>56.739</b>	<b>11.476</b>	<b>10</b>	<b>-162.509</b>	<b>5.226</b>	<b>-25</b>	<b>604.520</b>

Group	Non cash adjustments							BALANCE 31/12/2020		
	BALANCE 31/12/2019	Cash flows	Accrued interest	Foreign exchange differences & IAS 29 effect	Transfers	Effect from IFRS 16 application 1/1/2019	Purchases of fixed assets under leases/contract cancellation		Repurchase results	Discontinued operations/ change of consolidation method & other transfers
Long term loans	716.674	-4.162	903	-326	-243.852	0	0	0	-542	468.695
Short term loans	31.851	-48.851	46.639	-681	243.852	0	0	0	-778	272.032
Long term lease liabilities	10.681	-5.572	624	-585	2.047	0	303	0	-29	7.469
Short term lease liabilities	6.019	-654	0	-297	-2.047	0	-123	0	-16	2.882
<b>Total liabilities from financing activities</b>	<b>765.225</b>	<b>-59.239</b>	<b>48.166</b>	<b>-1.889</b>	<b>0</b>	<b>0</b>	<b>180</b>	<b>0</b>	<b>-1.365</b>	<b>751.078</b>



Maturity of long-term debt:

**Long term loans after repurchases:**

	GROUP		COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
From 1 to 5 years	590.410	468.695	250.425	308.338
More than 5 years	2.073	0	0	0
<b>Total</b>	<b>592.483</b>	<b>468.695</b>	<b>250.425</b>	<b>308.338</b>

**Long term lease liabilities:**

	GROUP		COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
From 1 to 5 years	6.421	5.647	519	1.114
More than 5 years	2.758	1.822	0	79
<b>Total</b>	<b>9.179</b>	<b>7.469</b>	<b>519</b>	<b>1.193</b>

Total debt is classified as below in relation to the issue currency:

**Long term loans after repurchases:**

	GROUP		COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Loans in EUR	352.961	465.687	250.425	308.338
Loans in USD	225.843	3.008	0	0
Loans in BGL	0	0	0	0
<b>Total</b>	<b>578.805</b>	<b>468.695</b>	<b>250.425</b>	<b>308.338</b>

**Long term lease liabilities:**

	GROUP		COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Leases in EUR	860	1.966	519	1.193
Leases in USD	7.507	4.310	0	0
Leases in BGL	0	0	0	0
Leases in NZD	249	302	0	0
Leases in AUD	27	328	0	0
Leases in MAD	48	0	0	0
Leases in ARS	20	246	0	0
Leases in TRY	402	317	0	0
Leases in BRL	65	0	0	0
<b>Total</b>	<b>9.179</b>	<b>7.469</b>	<b>519</b>	<b>1.193</b>

**Short term loans after repurchases:**

	GROUP		COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Loans in EUR	4.869	270.618	0	0
Loans in USD	8.782	1.385	0	0
Loans in TRY	27	28	0	0
<b>Total</b>	<b>13.678</b>	<b>272.032</b>	<b>0</b>	<b>0</b>

**Short term lease liabilities:**

	GROUP		COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Leases in EUR	713	1.036	269	450
Leases in USD	1.220	1.119	0	0
Leases in MAD	139	0	0	0
Leases in NZD	92	92	0	0
Leases in AUD	313	290	0	0
Leases in ARS	168	148	0	0
Leases in CLP	19	20	0	0
Leases in TRY	147	104	0	0
Leases in BRL	46	73	0	0
<b>Total</b>	<b>2.857</b>	<b>2.882</b>	<b>269</b>	<b>450</b>



## 2.26 STAFF RETIREMENT INDEMNITIES

### (a) State Insurance Programs:

The Group's contributions to the State insurance funds for the year ended 31 December 2021 that were reported in the year's expenses amount to € €9.728 thousand as stated in note 2.4.

### (b) Insurance Programs in USA:

The US Subsidiaries have a defined contribution plan ("The Intralot USA 401 (k) Plan") under Section 401 (k) of the Internal Revenue Code, which covers virtually all their full-time employees. The program requires matching contributions up to 6% of employees' salaries, and there is a provision for additional contributions that are at the discretion of the Board of Directors. The Group's subsidiaries in the US incurred expenses related to the above program, which in 2021 amounted to €1.492 thousand (2020: €1.307 thousand) and are included under "Other staff costs" in note 2.4. On retirement, "The Intralot USA 401 (k) Plan" is responsible for paying employees' retirement benefits. Consequently, the Group has no legal or constructive obligation to pay future benefits under this plan.

### (c) Staff Retirement Indemnities:

According to Greek Labor Law, employees are entitled to indemnity on dismissal or retirement, the amount of which varies depending on the years of service, salary level and the way the employee leaves employment (dismissal or retirement). Employees that resign or are dismissed for legally valid reasons are not indemnified. The indemnity payable on retirement is 40% of the amount that would have been payable to the same employee on dismissal on the same day (retirement date). In Greece, based on customary practice these programs are not funded. The Group charges to the income statement the expense attributable to the service provided by employees in the year, with a corresponding increase in the provision for staff retirement indemnities. Any payments made to retiring employees, are set against the related provision.

Independent actuaries calculated the Company's and the Group's liability for retirement indemnities. The movement of the net liability as presented in the financial position, details and the basic assumptions used in the actuarial study as of 31 December 2021 are as follows:

	GROUP		COMPANY	
	31/12/2021	31/12/2020 Restated *	31/12/2021	31/12/2020 Restated *
Present Value of unfunded liability	1,354	4,519	1,176	3,823
Reconsideration of opening balance from IAS 19 effect	0	-3,130	0	-2,655
Unrecognized actuarial losses	0	0	0	0
<b>Net liability on the financial position</b>	<b>1,354</b>	<b>1,389</b>	<b>1,176</b>	<b>1,168</b>
<b>Components of the net retirement cost in the year:</b>				
Current service cost	214	-23	168	124
Finance cost	21	52	7	39
Effect of cutting / settlement / termination benefits	1,361	567	1,253	310
Intragroup staff transfer	0	0	-11	-6
<b>Debit to income statement (Note2.4)- (total operations)</b>	<b>1,596</b>	<b>596</b>	<b>1,417</b>	<b>467</b>
Additional service cost	0	0	0	0
<b>Total charge to income statement</b>	<b>1,596</b>	<b>596</b>	<b>1,417</b>	<b>467</b>
Actuarial (gains) / losses recognized in other comprehensive income (before deferred tax)	-10	205	-16	131
Deferred tax attributable to actuarial (gains)/losses	-2	-63	-4	-66
<b>Total debit/(credit) / losses in other comprehensive income</b>	<b>-12</b>	<b>143</b>	<b>-20</b>	<b>64</b>
<b>Reconciliation of benefit liabilities:</b>				
Net liability at beginning of year	1,389	3,807	1,168	3,358
Revaluation from reconsideration of IAS 19	0	-2,614	0	-2,346



Service cost	214	-23	168	124
Finance cost	21	52	7	39
Effect of cutting / settlement / termination benefits	1.361	567	1.253	310
Benefits paid	-1.590	-556	-1.392	-440
Intragroup staff transfer	0	0	-11	-6
Disposal of subsidiary	0	-29	0	0
Actuarial (gains) / losses	-10	206	-16	131
Exchange differences	-32	-21	0	0
<b>Present Value of the liability at end of year</b>	<b>1.354</b>	<b>1.389</b>	<b>1.176</b>	<b>1.168</b>

\*Restated due to change in accounting policy (note 2.1.4)

#### Basic assumptions:

	GROUP		COMPANY	
	31/12/2021	31/12/2020 Restated *	31/12/2021	31/12/2020 Restated *
Discount rate	0,60%	0,60%	0,60%	0,60%
Percentage of annual salary increases	1,94%	2,01%	1,80%	1,75%
Increase in Consumer Price Index	1,86%	1,63%	1,80%	1,50%

#### Sensitivity analysis for the most important assumptions on 31/12/2021:

Effect on current service cost	GROUP		COMPANY	
	increase 0,5%	decrease 0,5%	increase 0,5%	decrease 0,5%
Discount rate	-30	40	-7	8
Percentage of annual salary increases	34	-33	7	-7

Effect on present value of liability	GROUP		COMPANY	
	increase 0,5%	decrease 0,5%	increase 0,5%	decrease 0,5%
Discount rate	-62	74	-36	38
Percentage of annual salary increases	60	-59	30	-30

#### Analysis of Actuarial (gains) / losses in other comprehensive income (before deferred tax):

	GROUP		COMPANY	
	31/12/2021	31/12/2020 Restated *	31/12/2021	31/12/2020 Restated *
Change in economic assumptions	9	251	7	169
Change in demographic assumptions	0	0	0	0
Change due to experience and other assumptions change	-19	-45	-23	-38
<b>Actuarial (gains) / losses in other comprehensive income (before deferred tax)</b>	<b>-10</b>	<b>205</b>	<b>-16</b>	<b>131</b>

#### Impact due to revision of IAS 19:

(Amounts in thousand €)		GROUP		
Financial Position Statement Quote	31/12/2019	IAS 19 adjustment	1/1/2020	
Other Reserves	67.292	10	67.302	
Retained Earnings	-111.321	2.603	-108.718	
Deferred tax liabilities	10.597	627	11.224	
Staff retirement indemnities	3.807	-2.614	1.193	

(Amounts in thousand €)		COMPANY		
Financial Position Statement Quote	31/12/2019	IAS 19 adjustment	1/1/2020	
Other Reserves	55.283	4	55.287	
Retained Earnings	-45.261	2.342	-42.919	
Deferred tax liabilities	5.320	563	5.883	
Staff retirement indemnities	3.358	-2.346	1.012	

(Amounts in thousand €)		GROUP	
Income Statement Quote	31/12/2020	31/12/2020 Restated <sup>1</sup>	
Deferred Tax income / (expense)	-296	-143	
Cost of Sales	-289.548	-289.313	
Selling Expenses	-23.677	-23.644	
Administrative Expenses	-66.528	-66.439	
Research and Development Expenses	-2.865	-2.859	
Deferred Tax Current	-981	-1.105	



<sup>1</sup> The restated balance sheet as at 31/12/2020 of the items shown in the table above, includes only the effect from the revision of IAS 19 and not the effect of the Group's subsidiaries in Poland (Totolotek SA), in Bulgaria (Bilot EOOD , Eurofootball Ltd, Bilot Investment Ltd, Eurobet Ltd, Eurobet Trading Ltd, ICS SA), in Brazil (Intralot do Brazil Ltda, OLTP Ltda) and in Peru (Intralot de Peru SAC), presented as discontinued activities under IFRS 5 in the comparative table of the Income Statement.

<sup>2</sup> Administrative expenses as at 31/12/2020 do not include Reorganization expenses amounting to €6.754 thousand.

(Amounts in thousand €) Income Statement Quote	COMPANY	
	31/12/2020	31/12/2020 Restated <sup>1</sup>
Deferred Tax income / (expense)	-210	-64
Cost of Sales	-32.191	-32.122
Selling Expenses	-9.333	-9.300
Administrative Expenses	-14.741	-14.686
Research and Development Expenses	-2.865	-2.859
Deferred Tax Current	-1.847	-1.921

<sup>1</sup> Administrative expenses as at 31/12/2020 do not include Reorganization expenses amounting to €2.188 thousand.

## 2.27 SHARED BASED BENEFITS

The Group had no active option plan during 2021.

## 2.28 OTHER LONG-TERM LIABILITIES

	GROUP		COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Deferred Income	650	879	0	51
Other liabilities	466	570	0	0
Guarantees	36	0	36	0
<b>Total</b>	<b>1.152</b>	<b>1.449</b>	<b>36</b>	<b>51</b>

## 2.29 TRADE AND OTHER CURRENT LIABILITIES

	GROUP		COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Creditors	55.557	40.790	4.279	2.590
Amounts due to related parties (Note 2.31.E)	3.410	7.452	32.186	27.980
Winnings payable	2.298	2.636	0	0
Other creditors	9.792	10.624	894	1.281
Deferred Income	6.569	13.701	2.547	3.221
Accrued expenses for the period	2.365	2.848	693	366
Taxes	7.059	11.445	-865	263
Dividends payable	0	2	0	0
<b>Total</b>	<b>87.050</b>	<b>89.498</b>	<b>39.734</b>	<b>35.701</b>

The maturity of short-term and long-term liabilities is as follows:

PAYABLES	GROUP		COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Creditors	55.557	40.790	4.279	2.590
Payable to related parties (note 2.31.E)	3.410	7.452	32.186	27.980
Other payables	29.235	42.706	3.305	5.183
<b>Total</b>	<b>88.202</b>	<b>90.948</b>	<b>39.770</b>	<b>35.753</b>
<b>MATURITY INFORMATION</b>				
0-3 months	52.898	23.501	651	162
3-12 months	34.153	65.998	39.083	35.540
More than 1 year	1.152	1.449	36	51
<b>Total</b>	<b>88.202</b>	<b>90.948</b>	<b>39.770</b>	<b>35.753</b>

## 2.30 FINANCIAL ASSETS AND LIABILITIES

The financial assets and liabilities of the Group, excluding cash and cash equivalents are analyzed as follows:



31/12/2021	GROUP			Total
	Financial assets:	Debt instruments at amortized cost	Equity instruments at fair value through other comprehensive income	
Trade receivables	76.861	0	0	<b>76.861</b>
Provisions for doubtful receivables	-10.730	0	0	<b>-10.730</b>
Receivables from related parties	17.316	0	0	<b>17.316</b>
Provisions for doubtful receivables	-6.097	0	0	<b>-6.097</b>
Pledged bank deposits	8.378	0	0	<b>8.378</b>
Tax receivables	29.871	0	0	<b>29.871</b>
Prepaid expenses and other receivable	19.258	0	0	<b>19.258</b>
Provisions for doubtful receivables	-1.465	0	0	<b>-1.465</b>
Other quoted financial assets	28	81	0	<b>109</b>
<b>Total</b>	<b>133.420</b>	<b>81</b>	<b>0</b>	<b>133.501</b>
Long-term	3.209	81	0	<b>3.290</b>
Short-term	130.211	0	0	<b>130.211</b>
<b>Total</b>	<b>133.420</b>	<b>81</b>	<b>0</b>	<b>133.501</b>

31/12/2020	GROUP			Total
	Financial assets:	Debt instruments at amortized cost	Equity instruments at fair value through other comprehensive income	
Trade receivables	91.306	0	0	<b>91.306</b>
Provisions for doubtful receivables	-9.526	0	0	<b>-9.526</b>
Receivables from related parties	15.177	0	0	<b>15.177</b>
Provisions for doubtful receivables	-6.543	0	0	<b>-6.543</b>
Pledged bank deposits	5.295	0	0	<b>5.295</b>
Tax receivables	37.246	0	0	<b>37.246</b>
Prepaid expenses and other receivable	25.164	0	0	<b>25.164</b>
Provisions for doubtful receivables	-1.305	0	0	<b>-1.305</b>
Other quoted financial assets	47	229	0	<b>276</b>
<b>Total</b>	<b>156.860</b>	<b>229</b>	<b>0</b>	<b>157.090</b>
Long-term	5.443	229	0	<b>5.672</b>
Short-term	151.417	0	0	<b>151.417</b>
<b>Total</b>	<b>156.860</b>	<b>229</b>	<b>0</b>	<b>157.090</b>

31/12/2021	GROUP			Total
	Financial liabilities:	Financial liabilities measured at amortized cost	Financial liabilities at fair value through profit and loss	
Creditors	55.557	0	0	<b>55.557</b>
Payables to related parties	3.410	0	0	<b>3.410</b>
Other liabilities	29.235	0	0	<b>29.235</b>
Borrowing and lease liabilities	604.519	0	0	<b>604.519</b>
<b>Total</b>	<b>692.721</b>	<b>0</b>	<b>0</b>	<b>692.721</b>
Long-term	589.136	0	0	<b>589.136</b>
Short-term	103.585	0	0	<b>103.585</b>
<b>Total</b>	<b>692.721</b>	<b>0</b>	<b>0</b>	<b>692.721</b>

31/12/2020	GROUP			Total
	Financial liabilities:	Financial liabilities measured at amortized cost	Financial liabilities at fair value through profit and loss	
Creditors	40.790	0	0	<b>40.790</b>
Payables to related parties	7.452	0	0	<b>7.452</b>
Other liabilities	42.706	0	0	<b>42.706</b>
Borrowing and lease liabilities	751.078	0	0	<b>751.078</b>
<b>Total</b>	<b>842.026</b>	<b>0</b>	<b>0</b>	<b>842.026</b>
Long-term	477.614	0	0	<b>477.614</b>
Short-term	364.412	0	0	<b>364.412</b>
<b>Total</b>	<b>842.026</b>	<b>0</b>	<b>0</b>	<b>842.026</b>

Below is the analysis of the financial assets and liabilities of the Company excluding cash and cash equivalents:



<b>31/12/2021</b>		<b>COMPANY</b>		
<b>Financial assets:</b>	<b>Debt instruments at amortized cost</b>	<b>Equity instruments at fair value through other comprehensive income</b>	<b>Derivative financial assets at fair value through other comprehensive income</b>	<b>Total</b>
Trade receivables	35.186	0	0	<b>35.186</b>
Provisions for doubtful receivables	-7.312	0	0	<b>-7.312</b>
Receivables from related parties	55.615	0	0	<b>55.615</b>
Provisions for doubtful receivables	-6.318	0	0	<b>-6.318</b>
Pledged bank deposits	4.657	0	0	<b>4.657</b>
Tax receivables	18.012	0	0	<b>18.012</b>
Prepaid expenses and other receivable	6.159	0	0	<b>6.159</b>
Provisions for doubtful receivables	-778	0	0	<b>-778</b>
Other quoted financial assets	0	80	0	<b>80</b>
<b>Total</b>	<b>105.222</b>	<b>80</b>	<b>0</b>	<b>105.302</b>
Long-term	45	80	0	<b>125</b>
Short-term	105.177	0	0	<b>105.177</b>
<b>Total</b>	<b>105.222</b>	<b>80</b>	<b>0</b>	<b>105.302</b>

<b>31/12/2020</b>		<b>COMPANY</b>		
<b>Financial assets:</b>	<b>Debt instruments at amortized cost</b>	<b>Equity instruments at fair value through other comprehensive income</b>	<b>Derivative financial assets at fair value through other comprehensive income</b>	<b>Total</b>
Trade receivables	34.586	0	0	<b>34.586</b>
Provisions for doubtful receivables	-6.734	0	0	<b>-6.734</b>
Receivables from related parties	76.118	0	0	<b>76.118</b>
Provisions for doubtful receivables	-6.450	0	0	<b>-6.450</b>
Pledged bank deposits	1.774	0	0	<b>1.774</b>
Tax receivables	20.120	0	0	<b>20.120</b>
Prepaid expenses and other receivable	6.993	0	0	<b>6.993</b>
Provisions for doubtful receivables	-778	0	0	<b>-778</b>
Other quoted financial assets	0	39	0	<b>39</b>
<b>Total</b>	<b>125.628</b>	<b>39</b>	<b>0</b>	<b>125.668</b>
Long-term	112	39	0	<b>151</b>
Short-term	125.516	0	0	<b>125.516</b>
<b>Total</b>	<b>125.628</b>	<b>39</b>	<b>0</b>	<b>125.668</b>

<b>31/12/2021</b>		<b>COMPANY</b>		
<b>Financial liabilities:</b>	<b>Financial liabilities measured at amortized cost</b>	<b>Financial liabilities at fair value through profit and loss</b>	<b>Financial liabilities at fair value through other comprehensive income</b>	<b>Total</b>
Creditors	4.279	0	0	4.279
Payables to related parties	32.186	0	0	32.186
Other liabilities	3.305	0	0	3.305
Borrowing and lease liabilities	253.467	0	0	253.467
<b>Total</b>	<b>293.236</b>	<b>0</b>	<b>0</b>	<b>293.236</b>
Long-term	250.981	0	0	250.981
Short-term	42.255	0	0	42.255
<b>Total</b>	<b>293.236</b>	<b>0</b>	<b>0</b>	<b>293.236</b>

<b>31/12/2020</b>		<b>COMPANY</b>		
<b>Financial liabilities:</b>	<b>Financial liabilities measured at amortized cost</b>	<b>Financial liabilities at fair value through profit and loss</b>	<b>Financial liabilities at fair value through other comprehensive income</b>	<b>Total</b>
Creditors	2.590	0	0	2.590
Payables to related parties	27.980	0	0	27.980
Other liabilities	5.183	0	0	5.183
Borrowing and lease liabilities	309.982	0	0	309.982
<b>Total</b>	<b>345.735</b>	<b>0</b>	<b>0</b>	<b>345.735</b>
Long-term	309.583	0	0	309.583
Short-term	36.152	0	0	36.152
<b>Total</b>	<b>345.735</b>	<b>0</b>	<b>0</b>	<b>345.735</b>

### Estimated fair value

Below is a comparison by category of carrying amounts and fair values of financial assets and liabilities of the Group and the Company as of December 31, 2021 and December 31, 2020:



Financial Assets	GROUP			
	Carrying Amount 31/12/2021	Carrying Amount 31/12/2020	Fair Value 31/12/2021	Fair Value 31/12/2020
Other long-term financial assets - classified as "equity instruments at fair value through other comprehensive income "	81	229	81	229
Other long-term financial assets - classified as "debt instruments at fair value at amortized cost"	16	32	16	32
Other long-term receivables	3.194	5.411	3.194	5.411
Trade and other short-term receivables	130.198	151.403	130.198	151.403
Other short-term financial assets - classified as "debt instruments at amortized cost"	13	14	13	14
Cash and cash equivalents	107.339	99.984	107.339	99.984
<b>Total</b>	<b>240.841</b>	<b>257.073</b>	<b>240.841</b>	<b>257.073</b>

Financial Assets	COMPANY			
	Carrying Amount 31/12/2021	Carrying Amount 31/12/2020	Fair Value 31/12/2021	Fair Value 31/12/2020
Other long-term financial assets - classified as "equity instruments at fair value through other comprehensive income "	80	39	80	39
Other long-term receivables	45	112	45	112
Trade and other short-term receivables	105.177	125.516	105.177	125.516
Cash and cash equivalents	8.338	7.959	8.338	7.959
<b>Total</b>	<b>113.641</b>	<b>133.626</b>	<b>113.641</b>	<b>133.626</b>

Financial Liabilities	GROUP			
	Carrying Amount 31/12/2021	Carrying Amount 31/12/2020	Fair Value 31/12/2021	Fair Value 31/12/2020
Long-term loans	578.805	468.695	543.383	180.745
Other long-term liabilities	1.152	1.449	1.152	1.449
Long-term lease liabilities	9.179	7.469	9.179	7.469
Trade and other short-term payables	87.050	89.499	87.050	89.499
Short-term loans and lease liabilities	16.535	274.914	16.116	126.600
<b>Total</b>	<b>692.721</b>	<b>842.026</b>	<b>656.880</b>	<b>405.761</b>

Financial Liabilities	COMPANY			
	Carrying Amount 31/12/2021	Carrying Amount 31/12/2020	Fair Value 31/12/2021	Fair Value 31/12/2020
Long-term loans	250.425	308.338	250.425	308.338
Other long-term liabilities	36	51	36	51
Long-term lease liabilities	519	1.193	519	1.193
Trade and other short-term payables	39.734	35.702	39.734	35.702
Short-term loans and lease liabilities	2.522	450	2.522	450
<b>Total</b>	<b>293.236</b>	<b>345.734</b>	<b>293.236</b>	<b>345.734</b>

The management estimated that the carrying value of cash and cash equivalents, trade and other receivables, trade and other payables approximates their fair value, primarily because of their short-term maturities.

#### Fair value hierarchy

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making these measurements. The levels of the fair value hierarchy are as follows:  
Level 1: official quoted prices (unadjusted) in markets with significant volume of transactions for similar assets or liabilities

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)



Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group and the Company held on 31/12/2021 the following assets and liabilities measured at fair value:

GROUP	Fair Value 31/12/2021	Fair value hierarchy		
		Level 1	Level 2	Level 3
<b>Financial assets measured at fair value</b>				
Other financial assets classified as "equity instruments at fair value through other comprehensive income"	81	81	0	0
- Quoted securities	81	81	0	0
- Unquoted securities	0	0	0	0
Other financial assets classified as "debt instruments at amortized cost"	28	0	0	28
- Quoted securities	28	0	0	28
- Unquoted securities	0	0	0	0
Derivative financial instruments	0	0	0	0
<b>Financial liabilities measured at fair value</b>				
Derivative financial instruments	0	0	0	0

COMPANY	Fair Value 31/12/2021	Fair value hierarchy		
		Level 1	Level 2	Level 3
<b>Financial assets measured at fair value</b>				
Other financial assets classified as "equity instruments at fair value through other comprehensive income"	80	80	0	0
- Quoted securities	80	80	0	0
- Unquoted securities	0	0	0	0
Derivative financial instruments	0	0	0	0
<b>Financial liabilities measured at fair value</b>				
Derivative financial instruments	0	0	0	0

During 2021 there were no transfers between Level 1 and Level 2 of the fair value hierarchy, no transfers to and from Level 3.

The Group and the Company held on 31/12/2020 the following assets and liabilities measured at fair value:

GROUP	Fair Value 31/12/2020	Fair value hierarchy		
		Level 1	Level 2	Level 3
<b>Financial assets measured at fair value</b>				
Other financial assets classified as "equity instruments at fair value through other comprehensive income"	229	229	0	0
- Quoted securities	229	229	0	0
- Unquoted securities	0	0	0	0
Other financial assets classified as "debt instruments at amortized cost"	47	0	0	47
- Quoted securities	47	0	0	47
- Unquoted securities	0	0	0	0
Derivative financial instruments	0	0	0	0
<b>Financial liabilities measured at fair value</b>				
Derivative financial instruments	0	0	0	0

COMPANY	Fair Value 31/12/2020	Fair value hierarchy		
		Level 1	Level 2	Level 3
<b>Financial assets measured at fair value</b>				
Other financial assets classified as "equity instruments at fair value through other comprehensive income"	39	39	0	0
- Quoted securities	39	39	0	0
- Unquoted securities	0	0	0	0
Derivative financial instruments	0	0	0	0
<b>Financial liabilities measured at fair value</b>				
Derivative financial instruments	0	0	0	0

During 2020 there were no transfers between Level 1 and Level 2 of the fair value hierarchy, no transfers to and from Level 3.

**Reconciliation for recurring fair value measurements classified in the 3rd level of the fair value hierarchy:**

Quoted securities	GROUP	COMPANY
Balance 31/12/2019	90	0
Fair value adjustment	17	
Receipts	-30	
Foreign exchange differences	-31	
Balance 31/12/2020	47	0
Fair value adjustment	0	
Receipts	-13	
Exchange differences	-5	
Balance 31/12/2021	28	0

**Valuation methods and assumptions**

The fair value of the financial assets and liabilities is the amount at which the asset could be sold or the liability transferred in a current transaction between market participants, other than in a forced or liquidation sale.

The following methods and assumptions are used to estimate the fair values:

- Fair value of the quoted shares (classified as "equity instruments at fair value through other comprehensive income") derives from quoted market closing prices in active markets at the reporting date.
- Fair value of the unquoted shares (classified as "equity instruments at fair value through other comprehensive income") is estimated by reference to the current market value of another item substantially similar or using a DCF model. The valuation through the DCF model requires management to make certain assumptions about the model inputs, including forecast cash flows, the discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.
- Fair value of the quoted bonds is based on price quotations at the reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under leases, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.
- The Group uses derivative financial instruments such as forward currency contracts, interest rate swaps, currency swaps and other derivatives in order to hedge risks related to interest rates and



foreign currency fluctuations. Such derivative financial instruments are measured at fair value at each reporting date. The fair value of these derivatives is measured mainly by reference of the market value and is verified by the financial institutions.

**Description of significant unobservable inputs to valuation:**

The fair value of unquoted shares (classified as "equity instruments at fair value through other comprehensive income") except that it is sensitive to a reasonably possible change in the forecast cash flows and the discount rate, is also sensitive to a reasonably possible change in growth rates. The valuation requires management to use unobservable inputs in the model, of which the most significant are disclosed in the tables below. The management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

**Unquoted shares (classified as "equity instruments at fair value through other comprehensive income")**

On 31/12/2021 and 31/12/2020 the Group did not hold any unquoted shares (classified as "Equity instruments valued at fair value through other comprehensive income").



### 2.31 SUPPLEMENTARY INFORMATION

#### A. BUSINESS COMBINATION AND METHOD OF CONSOLIDATION

The companies included in the consolidation, with the relevant addresses and the relevant participation percentages are the following:

I. Full consolidation	Domicile	Nature of business	% Direct Part'n	% Indirect Part'n	% Total Part'n
INTRALOT S.A.	Peania, Greece	Holding company / Technology and support services	Parent	Parent	-
3. BETTING COMPANY S.A.	Peania, Greece	Technology and support services	95%	5%	100%
17. BETTING CYPRUS LTD	Nicosia, Cyprus	Technology and support services	100%	100%	100%
INTRALOT IBERIA HOLDINGS S.A.	Madrid, Spain	Holding company	100%	100%	100%
INTRALOT JAMAICA LTD	Kingston, Jamaica	Technology and support services	50%	49,99%	99,99%
10. INTRALOT TURKEY A.S.	Istanbul, Turkey	Technology and support services	50%	49,99%	99,99%
10. INTRALOT DE MEXICO LTD	Mexico City, Mexico	Technology and support services	100%	99,80%	99,80%
10. INTRALOT CHILE SPA	Santiago, Chile	Technology and support services	100%	100%	100%
10. INTELTEK INTERNET AS	Istanbul, Turkey	Management contracts	100%	100%	100%
INTRALOT SERVICES S.A.	Peania, Greece	Technology and support services	100%	100%	100%
BILYONER INTERAKTIF HIZMETLER AS GROUP	Istanbul, Turkey	Management contracts	50,01%		50,01%
INTRALOT MAROC S.A.	Casablanca, Morocco	Management contracts	99,83%		99,83%
INTRALOT INTERACTIVE S.A.	Peania, Greece	Technology and support services	100%		100%
INTRALOT GLOBAL SECURITIES B.V.	Amsterdam, Netherlands	Holding company	100%		100%
INTRALOT CAPITAL LUXEMBOURG S.A.	Luxembourg, Luxembourg	Financial services		100%	100%
1,2,3,4. INTRALOT GLOBAL HOLDINGS B.V.	Amsterdam, Netherlands	Holding company	99,98%		100%
5. INTRALOT US SECURITIES B.V.	Amsterdam, Netherlands	Holding company		0,02%	100%
11. INTRALOT US HOLDINGS B.V.	Amsterdam, Netherlands	Holding company		65,73%	65,73%
12. INTRALOT INC	Atlanta, USA	Holding company		65,73%	65,73%
13. DC09 LLC	Wilmington, USA	Technology and support services		32,21%	32,21%
13. INTRALOT TECH SINGLE MEMBER S.A.	Peania, Greece	Technology and support services		65,73%	65,73%
5. INTRALOT AUSTRALIA PTY LTD	Melbourne, Australia	Technology and support services		100%	100%
9. INTRALOT GAMING SERVICES PTY	Melbourne, Australia	Technology and support services		100%	100%
5. ILOT CAPITAL UK LTD	Hertfordshire, United Kingdom	Financial services	0,02%	99,98%	100%
5. ILOT INVESTMENT UK LTD	Hertfordshire, United Kingdom	Financial services	0,02%	99,98%	100%
5. INTRALOT NEDERLAND B.V.	Amsterdam, Netherlands	Technology and support services		100%	100%
18. INTRALOT BENELUX B.V.	Amsterdam, Netherlands	Technology and support services		100%	100%
5. LOTROM S.A.	Bucharest, Romania	Management contracts		84%	84%
5. INTRALOT BEIJING Co LTD	Beijing, China	Technology and support services		100%	100%
5. TECNO ACCION S.A.	Buenos Aires, Argentina	Technology and support services		50,01%	50,01%
5. TECNO ACCION SALTA S.A.	Buenos Aires, Argentina	Licensed operations		50,01%	50,01%



I. Full consolidation		Domicile	Nature of business	% Direct Part'n	% Indirect Part'n	% Total Part'n
5.	MALTCO LOTTERIES LTD	Valetta, Malta	Licensed operations		73%	73%
5.	INTRALOT NEW ZEALAND LTD	Wellington, New Zealand	Technology and support services		100%	100%
5.	INTRALOT DO BRAZIL LTDA	Sao Paulo, Brazil	Licensed operations		80%	80%
14.	OLTP LTDA	Rio de Janeiro, Brazil	Licensed operations		80%	80%
5.	INTRALOT GERMANY GMBH	Munich, Germany	Technology and support services		100%	100%
5.	INTRALOT FINANCE UK LTD	Hertfordshire, United Kingdom	Financial services		100%	100%
5.	INTRALOT CAPITAL UK LTD	Hertfordshire, United Kingdom	Financial services		100%	100%
5.	BETA RIAL Sp. Zoo	Warsaw, Poland	Holding company		100%	100%
5.	POLLOT Sp. Zoo	Warsaw, Poland	Holding company		100%	100%
5.	NIKANTRO HOLDINGS Co LTD	Nicosia, Cyprus	Holding company		100%	100%
7.	LOTERIA MOLDOVEI S.A.	Chisinau, Moldova	Licensed operations	47,90%	32,85%	80,75%
5.	INTRALOT BETTING OPERATIONS (CYPRUS) LTD	Nicosia, Cyprus	Holding company		54,95%	54,95%
5,6.	ROYAL HIGHGATE LTD	Nicosia, Cyprus	Licensed operations		35,08%	35,08%
5.	INTRALOT LEASING NEDERLAND B.V.	Amsterdam, Netherland	Financial services		100%	100%
5.	INTRALOT IRELAND LTD	Dublin, Ireland	Technology and support services		100%	100%
5.	INTRALOT GLOBAL OPERATIONS B.V.	Amsterdam, Netherland	Technology and support services		100%	100%
5.	BIT8 LTD	Valetta, Malta	Technology and support services		100%	100%
5.	INTRALOT ADRIATIC DOO	Zagreb, Croatia	Technology and support services		100%	100%
5.	INTRALOT BETCO EOOD	Sofia, Bulgaria	Technology and support services		100%	100%
5.	INTRALOT CYPRUS GLOBAL ASSETS LTD	Nicosia, Cyprus	Technology and support services		100%	100%
	INTRALOT HOLDINGS INTERNATIONAL LTD	Nicosia, Cyprus	Holding company	100%		100%
2.	INTRALOT INTERNATIONAL LTD	Nicosia, Cyprus	Holding company		100%	100%
3.	INTRALOT OPERATIONS LTD	Nicosia, Cyprus	Technology and support services		100%	100%
2,4.	NETMAN SRL	Bucharest, Romania	Management contracts		100%	100%
2.	INTRALOT BUSINESS DEVELOPMENT LTD	Nicosia, Cyprus	Technology and support services		100%	100%
2,4.	GAMING SOLUTIONS INTERNATIONAL SAC	Lima, Peru	Technology and support services		100%	100%
2.	INTRALOT BETTING OPERATIONS RUSSIA LTD	Nicosia, Cyprus	Licensed operations		100%	100%
			Holding company		100%	100%





II. Equity method	Domicile	Nature of business	% Direct Part'n	% Indirect Part'n	% Total Part'n
LOT RICH INFORMATION Co LTD	Taipei, Taiwan	Technology and support services	40%		40%
INTRALOT SOUTH AFRICA LTD	Johannesburg, S. Africa	Technology and support services	45%		45%
2,3. GOREWARD LTD	Taipei, Taiwan	Holding company		38,84%	38,84%
15. GOREWARD INVESTMENTS LTD	Taipei, Taiwan	Holding company		38,84%	38,84%
15. PRECIOUS SUCCESS LTD GROUP	Hong Kong, China	Licensed operations		19,03%	19,03%
15. OASIS RICH INTERNATIONAL LTD	Taipei, Taiwan	Technology and support services		38,84%	38,84%

II. Equity method	Domicile	Nature of business	% Direct Part'n	% Indirect Part'n	% Total Part'n
16. WUSHENG COMPUTER TECHNOLOGY (SHANGHAI) CO LTD	Shanghai, China	Technology and support services		38,84%	38,84%
2. UNICLIC LTD	Nicosia, Cyprus	Holding company		50%	50%
19. DOWA LTD	Nicosia, Cyprus	Holding company		30%	30%
5. KARENIA ENTERPRISES COMPANY LTD	Nicosia, Cyprus	Holding company		50%	50%
INTRALOT DE PERU SAC	Lima, Peru	Licensed operations	20%		20%

**Subsidiary of the company:**

1: Intralot Global Securities B.V.	6: Intralot Betting Operations (Cyprus) LTD	11: Intralot US Securities B.V.	16: Oasis Rich International LTD
2: Intralot Holdings International LTD	7: Nikanro Holdings Co LTD	12: Intralot US Holdings B.V.	17: Betting Company S.A.
3: Intralot International LTD	8: Intralot Cyprus Global Assets LTD	13: Intralot Inc	18: Intralot Nederland B.V.
4: Intralot Operations LTD	9: Intralot Australia PTY LTD	14: Intralot Do Brazil LTDA	19: Uniclic LTD
5: Intralot Global Holdings B.V.	10: Intralot Iberia Holdings S.A.	15: Goreward LTD	

The standalone annual financial statements of the most important subsidiaries of the Group (not listed on a stock exchange) are posted on the INTRALOT website ([www.intralot.com](http://www.intralot.com)) pursuant to article 1 of the Board of Directors' decision 8/754/14.04.2016 of the Hellenic Capital Market Commission.

The entities Intralot Services S.A., Intralot Jamaica Ltd, Intralot Interactive S.A kai Gaming Solutions International SAC are under liquidation process.

On 31/12/2021, the Group or its subsidiaries did not have any significant contractual or statutory restrictions on their ability to access or use the assets and settle the liabilities of the Group.



The following United Kingdom subsidiaries were exempted until 31/12/2021 from Companies Act 2006 requirements relating the statutory audit of individual company accounts by virtue of Section 479A of that Act:

Intralot Finance UK Ltd (company number 6451119)

Ilot Capital UK Ltd (company number 9614324)- liquidated on March 2021

Ilot Investments UK Ltd (company number 9614271) - liquidated in July 2021

However, Intralot Finance UK Ltd has been audited in 2018 for IFRS Group reporting purposes.

### **III. Acquisitions**

The Group did not proceed to any acquisition of new entities for 2021.

### **IV. New Companies of the Group**

In February 2021, the Group established Intralot US Securities B.V. (holding company), being a 100% subsidiary of Intralot Global Holdings B.V., as well as Intralot US Holdings B.V. (holding company), being a 100% subsidiary of Intralot US Securities B.V.. Also, in March 2021, the Group established Intralot Capital UK Ltd (finance company), being a 100% subsidiary of Intralot Global Holdings B.V..

### **V. Changes in ownership percentage / Consolidation method change**

#### **Changes in ownership percentage**

In August 2021, the transfer from Intralot Global Holdings B.V. of 34,27% of the share capital of Intralot US Securities B.V. (indirectly parent company of Intralot, Inc.) to holders of existing bonds maturing in 2024 was completed, resulted to a new percentage of indirect participation of the Group amounts to 65,73%. In addition, it continues to maintain control of Intralot, Inc. and company's management. The consequence of the above restructuring is the change of the percentage of indirect participation in DC09 LLC to 32,21% and of Intralot US Holdings B.V. and Intralot Tech Single Member S.A. to 65,73%. Also, during the third quarter of 2021, Intralot SA acquired an additional 80% of Inteltek Internet A.S. from Iberia Holdings S.A..

#### **Changes in consolidation method** **Group Eurobet Ltd**

Since the end of March 2020, the conditions under which Eurobet Ltd group was fully consolidated, according to IFRS 10, in the financial statements of INTRALOT Group have ceased, and the company since then is consolidated under the equity method. The remaining investment of the Group (49%) in Eurobet Ltd group was estimated as of zero value. Net losses from Eurobet Ltd group net assets derecognition, as well as the reclassification of non-controlling interests according to IFRS 10 par. 25, came up to €563 thousand and are presented in Income Statement of the Group (line "Profit/(loss) after tax from discontinued operations"), since in December 2020 the Group sold the investment in subsidiary company Bilot Investment Ltd, parent company of the Group Eurobet Ltd (note [2.20.A.VIII](#)).

### **VI. Subsidiaries' Share Capital Increase**

During 2021 the Group completed a share capital increase through payment in cash in Netman SRL amounting €61 thousand, in Nikantro Holdings Co Ltd amounting €653 thousand and in Intralot Adriatic d.o.o amounting €13 thousand.

## **VII. Strike off - Disposal of Group Companies**

The Group completed the liquidation and strike-off of its subsidiaries Gameway Ltd (January 2021), Beta Rial Sp.Zoo (January 2021), Pollot Sp.Zoo (February 2021), Ilot Capital UK Ltd (March 2021), Loteria Moldovei S.A. (June 2021) Ilot Investment UK Ltd (July 2021), Intralot Betting Operations Russia Ltd (August 2021), Intralot Turkey A.S. (October 2021) , Intralot Beijing Co Ltd (October 2021), Dowa Ltd (October 2021), Intralot Capital UK Ltd (November 2021) , Nikantro Holdings Co LTD (November 2021), Intralot Leasing Netherland BV (December 2021), Uniclic Ltd (January 2022) and Intralot De Mexico Ltd (March 2022).

## **VIII. Discontinued Operations**

### **A) 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 S.A. – an INTRALOT subsidiary in Poland. The aforementioned subsidiary is presented in the geographic operating segment "European Union" (note [2.2](#)). Since, 31/3/2019 the Group's above activities in Poland were classified as assets held for sale and discontinued operations pursuant to IFRS 5. The transfer of Totolotek S.A. 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 S.A. amounted to approximately €8,0 millions, including the contingent consideration, in case of meeting certain terms and requirements within 2 years, amounting to approximately €1,8 millions on a discounted basis (€2,0 millions in future value). From the above consideration amount approximately €5,5 millions was paid in the first six-months of 2019 and amount approximately €0,8 million in July 2019. On 31/12/2020 and 31/12/2021 the Group recognized a loss of €996 thousand and €996 thousand respectively from the non-collection of contingent consideration of Totolotek S.A. disposal, since the relevant terms and requirements were not met. The above loss is presented in the Income Statement of the Group (line "Profit / (loss) after taxes from discontinued operations").

### **B) 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 SAC, an associate of INTRALOT Group, which is consolidated through the Equity method, for a cash consideration of \$21 millions (twenty-one millions USD). In addition, the Company has signed a three-year extension of its current contract with Intralot de Peru SAC through 2024, to continue to provide its gaming technology and support services. The above associate company is presented under the geographical segment "America" (note [2.2](#)). 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 millions (€13,3 millions).

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 (during 2021 consolidated under the equity method until 31/1/2021):



	1/1-31/1/2021	1/1-31/12/2020
Gains / (losses) from consolidations under the equity method	155	842
<b>Profit / (loss) before taxes</b>	<b>155</b>	<b>842</b>
Income Tax	0	0
	<b>155</b>	<b>842</b>
Gain/(loss) from disposal of discontinued operations	1.129	0
Relevant taxes	-1.332	0
Expenses and exchange differences occurred from sale	-197	0
Reclassification of exchange differences reserve to Income Statement	-637	0
<b>Gain/(loss) after taxes from discontinued operations</b>	<b>-882</b>	<b>842</b>
Attributable to:		
Equity holders of the parent Company	-882	842
Non-controlling interest	0	0

Below are presented the results of the Group's discontinued operations in Peru (Intralot de Peru SAC) for the period 1/10-31/12/2020 (during 2021 consolidated under the equity method until 31/1/2021):

	1/10-31/12/2020
Gains / (losses) from consolidations under the equity method	602
<b>Profit / (loss) before taxes</b>	<b>602</b>
Income Tax	0
	<b>602</b>
Gain/(loss) from disposal of discontinued operations	0
Relevant taxes	0
<b>Gain/(loss) after taxes from discontinued operations</b>	<b>602</b>
Attributable to:	
Equity holders of the parent Company	602
Non-controlling interest	0

Below are presented the net cash flows of the discontinued operations of the associate Intralot de Peru SAC, on a consolidated level:

	1/1-31/1/2021	1/1-31/12/2020
Operating activities	0	0
Investing activities	13.309	0
Financing activities	0	0
Effect from exchange differences	0	0
<b>Net increase / (decrease) in cash and cash equivalents for the period</b>	<b>13.309</b>	<b>0</b>

### C) Bulgaria

On 17/12/2020 the Group disposed 100% of subsidiaries Bilot EOOD and Bilot Investment Ltd, that held by 49% the associates Eurofootball Ltd and Eurobet Ltd group, respectively. The above subsidiaries and associates are presented under the geographical operating area "European Union" (note 2.2). As of 17/12/2020 the above activities of the Group in Bulgaria have been classified as discontinued operations. These transactions were completed within December 2020 following the necessary approvals by the relevant local authorities.

Below are presented the results of the Group's discontinued operations in Bulgaria (Bilot EOOD, Eurofootball Ltd, Bilot Investment Ltd, Eurobet Ltd, Eurobet Trading Ltd and ICS S.A.) for the period 1/1-17/12/2020 (subsidiaries Bilot EOOD and Bilot Investment Ltd in 2020 were consolidated through full consolidation method until 17/12/2020, the entity Eurofootball Ltd until 5/12/2019 through full



method and for the period 6/12-31/12/2019 through equity method, and the entities Eurobet Ltd, Eurobet Trading Ltd and ICS S.A. until end March 2020 through full method):

	<b>1/1-17/12/2020</b>
Sale proceeds	8.656
Expenses	-9.125
Other operating income	0
Other operating expenses	0
<b>Profit / (loss) before taxes, financing and investing results (EBIT)</b>	<b>-469</b>
<b>Profit / (loss) before taxes, financing, investing results and depreciation (EBITDA)</b>	<b>-274</b>
Income / (expense) from participations and investments	0
Gain/(loss) from assets disposal, impairment loss and write-off of assets	48
Interest and similar expenses	-29
Interest and similar income	0
Exchange Differences	1
Gains / (losses) from consolidations under the equity method	0
<b>Profit/(loss) before tax</b>	<b>-449</b>
Income tax	-171
	<b>-620</b>
Gain/(loss) from disposal of discontinued operations	-1.069
Relevant taxes	0
<b>Gain/(loss) after taxes from discontinued operations</b>	<b>-1.689</b>
Attributable to:	
Equity holders of the parent Company	-1.993
Non-controlling interest	304

Below are presented the results of the Group's discontinued operations in Bulgaria (Bilot EOOD, Eurofootball Ltd, Bilot Investment Ltd, Eurobet Ltd, Eurobet Trading Ltd and ICS S.A.) for the period 1/10-17/12/2020 (subsidiaries Bilot EOOD and Bilot Investment Ltd in 2020 were consolidated through full consolidation method until 17/12/2020, the entity Eurofootball Ltd until 5/12/2019 through full method and for the period 6/12-31/12/2019 through equity method, and the entities Eurobet Ltd, Eurobet Trading Ltd and ICS S.A. until end March 2020 through full method):

	<b>1/10-17/12/2020</b>
Sale proceeds	0
Expenses	-35
Other operating income	0
Other operating expenses	0
<b>Profit / (loss) before taxes, financing and investing results (EBIT)</b>	<b>-35</b>
<b>Profit / (loss) before taxes, financing, investing results and depreciation (EBITDA)</b>	<b>-30</b>
Income / (expense) from participations and investments	0
Gain/(loss) from assets disposal, impairment loss and write-off of assets	0
Interest and similar expenses	0
Interest and similar income	0
Exchange Differences	0
Gains / (losses) from consolidations under the equity method	0
<b>Profit/(loss) before tax</b>	<b>-35</b>
Income tax	0
	<b>-35</b>
Gain/(loss) from disposal of discontinued operations	-506
Relevant taxes	0



<b>Gain/(loss) after taxes from discontinued operations</b>	<b>-541</b>
Attributable to:	
Equity holders of the parent Company	-541
Non-controlling interest	0

Below are presented the net cash flows of the discontinued operations in Bulgaria on a consolidated level:

	<b>1/1-17/12/2020</b>
Operating activities	1.208
Investing activities	-122
Financing activities	-383
<b>Net increase / (decrease) in cash and cash equivalents for the period</b>	<b>703</b>

#### **D) Brazil**

On May, 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 EUR 700 thousand (seven hundred thousand EUR). "Intralot do Brasil" owes by 100% OLTP Ltda subsidiary. The aforementioned subsidiary is presented in the geographic operating segment "America(note 2.2)". Since 31/5/2021 the above activities of the Group in Brazil were classified as discontinued operations.

The above consideration was paid by €500 thousand within the second half of 2021 and the remaining amount was paid during the first quarter of 2022. The Group's net assets held for sale (including non-controlling interest rights and foreign exchange reserve) in Brazil amounted to €8,0 millions as at 31/5/2021 forming a gross loss from disposal of discontinued operations to €7,3 millions. Subtracting the exchange differences that were reclassified from foreign exchange differences reserve to Group's income statement, the net loss from disposal of discontinued operations amounted to €6,7 millions, which are presented in Group's Income Statement (line "Profit / (loss) after taxes from discontinued operations").

The net cash outflow of the Group during the first half of 2021 from Sale of discontinued operations in Brazil amounted to €0,5 million, consisting of the derecognition of Intralot do Brazil Ltda cash.

Below are presented the results of the Group's discontinued operations in Brazil (Intralot do Brazil Ltda and OLTP Ltda) for the period 1/1-31/12/2020 and 1/1- 31/5/2021 (in 2021 were consolidated through full consolidation method until 31/5/2021):

	<b>1/1-31/5/2021</b>	<b>1/1-31/12/2020</b>
Sale proceeds	7.225	19.958
Expenses	-7.321	-20.109
Other operating income	47	121
Other operating expenses	-567	-153
<b>Profit / (loss) before taxes, financing and investing results (EBIT)</b>	<b>-616</b>	<b>-182</b>



<b>Profit / (loss) before taxes, financing, investing results and depreciation (EBITDA)</b>	<b>-431</b>	<b>342</b>
Income / (expense) from participations and investments	0	0
Gain/(loss) from assets disposal, impairment loss and write-off of assets	0	-642
Interest and similar expenses	-22	-77
Interest and similar income	4	11
Exchange Differences	-1	-951
Gains / (losses) from consolidations under the equity method	0	0
<b>Profit/(loss) before tax</b>	<b>-635</b>	<b>-1.841</b>
Income tax	0	0
	<b>-635</b>	<b>-1.841</b>
Gain/(loss) from disposal of discontinued operations	-7.306	0
Relevant taxes	0	0
Reclassification of foreign exchange reserve to Income Statement	595	0
<b>Gain/(loss) after taxes from discontinued operations</b>	<b>-7.346</b>	<b>-1.841</b>
Attributable to:		
Equity holders of the parent Company	-7.215	-1.035
Non-controlling interest	-131	-805

Below are presented the results of the Group's discontinued operations in Brazil (Intralot do Brazil Ltda and OLTP Ltda) for the period 1/10-31/12/2020:

	<b>1/10-31/12/2020</b>	
Sale proceeds		5.915
Expenses		-5.789
Other operating income		30
Other operating expenses		-127
<b>Profit / (loss) before taxes, financing and investing results (EBIT)</b>		<b>29</b>
<b>Profit / (loss) before taxes, financing, investing results and depreciation (EBITDA)</b>		<b>145</b>
Income / (expense) from participations and investments		0
Gain/(loss) from assets disposal, impairment loss and write-off of assets		-645
Interest and similar expenses		-12
Interest and similar income		2
Exchange Differences		78
Gains / (losses) from consolidations under the equity method		0
<b>Profit/(loss) before tax</b>		<b>-548</b>
Income tax		0
		<b>-548</b>
Gain/(loss) from disposal of discontinued operations		0
Relevant taxes		0
Reclassification of foreign exchange reserve to Income Statement		0
<b>Gain/(loss) after taxes from discontinued operations</b>		<b>-548</b>
Attributable to:		
Equity holders of the parent Company		-208
Non-controlling interest		-340

Below are presented the net cash flows of the discontinued operations in Brazil on a consolidated level:

	<b>1/1-31/5/2021</b>	<b>1/1-31/12/2020</b>
Operating activities	-25	402
Investing activities	-519	-46
Financing activities	-61	-107
Net foreign exchange difference	3	-170
<b>Net increase / (decrease) in cash and cash equivalents for the period</b>	<b>-602</b>	<b>79</b>

Below are presented the earnings / (losses) after taxes per share of the Group's discontinued operations from subsidiaries Totolotek S.A., Intralot do Brazil Ltda, OLTP Ltda, Bilot EOOD, Bilot Investment Ltd,



the associate Intralot de Peru SAC, as well as the companies Eurofootball Ltd, Eurobet Ltd, Eurobet Trading Ltd and ICS S.A., either as subsidiaries or associates:

<b>Earnings/(losses) after tax per share (in €) from discontinued operations</b>	<b>1/1-31/12/2021</b>	<b>1/1-31/12/2020</b>
-basic	-0,0613	-0,0145
-diluted	-0,0613	-0,0145
Weighted Average number of shares	148.288.968	147.761.688

#### IX. Companies merge

The Group didn't absorb any company during 2021.

#### X. Material partly owned subsidiaries

Provided below is financial information regarding subsidiaries which have significant non-controlling interests:

<b>Subsidiary Name</b>	<b>Proportion of equity interest held by non-controlling interests:</b>		<b>31/12/2021</b>	<b>31/12/2020</b>
	<b>Country of incorporation and operation</b>	<b>Geographic operating segment</b>		
BILYONER INTERAKTIF HIZMELTER AS GROUP	Turkey	Other Countries	49,99%	49,99%
MALTCO LOTTERIES LTD	Malta	European Union	27%	27%
INTRALOT INC	USA	America	34,27%	0%
TECNO ACCION S.A.	Argentina	America	49,99%	49,99%
TECNO ACCION SALTA S.A.	Argentina	America	49,99%	49,99%

#### Accumulated balances of material non-controlling interests per subsidiary:

<b>Subsidiary Name</b>	<b>31/12/2021</b>	<b>31/12/2020</b>
BILYONER INTERAKTIF HIZMELTER AS GROUP	2.002	2.866
MALTCO LOTTERIES LTD	3.362	4.183
INTRALOT INC	-234	0
TECNO ACCION S.A.	4.098	3.195
TECNO ACCION SALTA S.A.	1.127	487

#### Profit allocated to material non-controlling interests per subsidiary:

<b>Subsidiary Name</b>	<b>1/1- 31/12/2021</b>	<b>1/1- 31/12/2020</b>
BILYONER INTERAKTIF HIZMELTER AS GROUP	2.457	2.495
MALTCO LOTTERIES LTD	772	618
INTRALOT INC	561	0
TECNO ACCION S.A.	498	522
TECNO ACCION SALTA S.A.	1.040	517

Below are presented the standalone condensed financial statements per geographical operating area pursuant to IFRS. This information is based in amounts before elimination entries:

<b>Condensed statement of profit or loss for the period 1/1- 31/12/2021</b>	
<b>European Union</b>	<b>MALTCO LOTTERIES LTD</b>
Sales Proceeds	95.384
Gross Profit/ (loss)	8.599
EBITDA	9.527
Profit / (loss) before tax	4.408
Tax	-1.550
<b>Profit / (loss) after tax</b>	<b>2.859</b>
Other comprehensive income after tax	0
<b>Total comprehensive income after tax</b>	<b>2.859</b>
Attributable to non-controlling interest	772
Dividends paid to non-controlling interest	1.593



Condensed statement of profit or loss for the period 1/1- 31/12/2021			
America	TECNO ACCION S.A.	TECNO ACCION SALTA S.A.	INTRALOT INC
Sales Proceeds	16.723	37.680	146.063
Gross Profit/ (loss)	7.572	4.673	45.766
EBITDA	6.801	3.713	69.805
Profit / (loss) before tax	2.223	3.445	20.796
Tax	-1.226	-1.364	137
<b>Profit / (loss) after tax</b>	<b>996</b>	<b>2.081</b>	<b>20.933</b>
Other comprehensive income after tax	-692	-83	5.282
<b>Total comprehensive income after tax</b>	<b>304</b>	<b>1.998</b>	<b>26.215</b>
Attributable to non-controlling interest	152	999	561
Dividends paid to non-controlling interest	1.075	762	0

Condensed statement of profit or loss for the period 1/1- 31/12/2021	
Other Countries	BILYONER INTERAKTIF HIZMELTER AS GROUP
Sales Proceeds	27.835
Gross Profit/ (loss)	23.478
EBITDA	13.135
Profit / (loss) before tax	6.530
Tax	-1.616
<b>Profit / (loss) after tax</b>	<b>4.914</b>
Other comprehensive income after tax	-1.752
<b>Total comprehensive income after tax</b>	<b>3.162</b>
Attributable to non-controlling interest	1.581
Dividends paid to non-controlling interest	3.138

Condensed statement of profit or loss for the period 1/1- 31/12/2020	
European Union	MALTCO LOTTERIES LTD
Sales Proceeds	77.514
Gross Profit/ (loss)	7.004
EBITDA	8.488
Profit / (loss) before tax	3.532
Tax	-1.245
<b>Profit / (loss) after tax</b>	<b>2.287</b>
Other comprehensive income after tax	0
<b>Total comprehensive income after tax</b>	<b>2.287</b>
Attributable to non-controlling interest	618
Dividends paid to non-controlling interest	1.350

Condensed statement of profit or loss for the period 1/1- 31/12/2020			
America	TECNO ACCION S.A.	TECNO ACCION SALTA S.A.	INTRALOT INC
Sales Proceeds	11.360	22.312	128.062
Gross Profit/ (loss)	4.993	2.278	21.899
EBITDA	4.378	1.774	39.338
Profit / (loss) before tax	1.244	1.496	2.532
Tax	-200	-461	-4.426
<b>Profit / (loss) after tax</b>	<b>1.044</b>	<b>1.035</b>	<b>-1.894</b>
Other comprehensive income after tax	-1.994	-92	-11.371
<b>Total comprehensive income after tax</b>	<b>-950</b>	<b>942</b>	<b>-13.266</b>
Attributable to non-controlling interest	-475	471	-13.266
Dividends paid to non-controlling interest	1.136	754	0



<b>Condensed statement of profit or loss for the period 1/1- 31/12/2020</b>	
<u>Other Countries</u>	<b>BILYONER INTERAKTIF HIZMELTER AS GROUP</b>
Sales Proceeds	20.684
Gross Profit/ (loss)	15.867
EBITDA	7.756
Profit / (loss) before tax	6.344
Tax	-1.354
<b>Profit / (loss) after tax</b>	<b>4.990</b>
Other comprehensive income after tax	-1.441
<b>Total comprehensive income after tax</b>	<b>3.549</b>
Attributable to non-controlling interest	1.774
Dividends paid to non-controlling interest	0

<b>Condensed statement of financial position as at 1/1- 31/12/2021</b>	
<u>European Union</u>	<b>MALTCO LOTTERIES LTD</b>
Non-current assets	2.816
Current assets	18.271
Non-current liabilities	-141
Current liabilities	-8.494
<b>Total equity</b>	<b>12.452</b>
Attributable to:	
Equity holders of parent	9.090
Non-controlling interests	3.362

<b>Condensed statement of financial position as at 1/1- 31/12/2021</b>			
<u>America</u>	<b>TECNO ACCION S.A.</b>	<b>TECNO ACCION SALTA S.A.</b>	<b>INTRALOT INC</b>
Non-current assets	4.144	235	175.633
Current assets	8.062	4.510	90.250
Non-current liabilities	-638	-37	-242.384
Current liabilities	-3.665	-2.157	-20.757
<b>Total equity</b>	<b>7.903</b>	<b>2.550</b>	<b>2.741</b>
Attributable to:			
Equity holders of parent	3.952	1.275	1.802
Non-controlling interests	3.951	1.275	939

<b>Condensed statement of financial position as at 1/1- 31/12/2021</b>	
<u>Other Countries</u>	<b>BILYONER INTERAKTIF HIZMELTER AS GROUP</b>
Non-current assets	32.648
Current assets	11.827
Non-current liabilities	-446
Current liabilities	-40.025
<b>Total equity</b>	<b>4.004</b>
Attributable to:	
Equity holders of parent	2.002
Non-controlling interests	2.002

<b>Condensed statement of financial position as at 1/1- 31/12/2020</b>	
<u>European Union</u>	<b>MALTCO LOTTERIES LTD</b>
Non-current assets	7.781
Current assets	16.416
Non-current liabilities	-524
Current liabilities	-8.180
<b>Total equity</b>	<b>15.493</b>
Attributable to:	
Equity holders of parent	11.310
Non-controlling interests	4.183



Condensed statement of financial position as at 1/1- 31/12/2020			
<u>America</u>	TECNO ACCION S.A.	TECNO ACCION SALTA S.A.	INTRALOT INC
Non-current assets	3.756	259	176.512
Current assets	5.658	2.042	59.541
Non-current liabilities	-576	0	-30.293
Current liabilities	-2.741	-1.032	-68.153
<b>Total equity</b>	<b>6.096</b>	<b>1.269</b>	<b>137.606</b>
Attributable to:			
Equity holders of parent	3.049	635	137.606
Non-controlling interests	3.048	634	0

Condensed statement of financial position as at 1/1- 31/12/2020	
<u>Other Countries</u>	BILYONER INTERAKTIF HIZMELTER AS GROUP
Non-current assets	2.561
Current assets	14.576
Non-current liabilities	-551
Current liabilities	-10.854
<b>Total equity</b>	<b>5.732</b>
Attributable to:	
Equity holders of parent	2.866
Non-controlling interests	2.865

Condensed cash flow information for the year ending 1/1- 31/12/2021	
<u>European Union</u>	MALTCO LOTTERIES LTD
Operating activities	8.673
Investing activities	-324
Financing activities	-6.238
Effect of exchange differences	0
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>2.111</b>

Condensed cash flow information for the year ending 1/1- 31/12/2021			
<u>America</u>	TECNO ACCION S.A.	TECNO ACCION SALTA S.A.	INTRALOT INC
Operating activities	5.131	2.863	49.655
Investing activities	-1.069	259	-11.610
Financing activities	-3.071	-1.874	-5.370
Effect of exchange differences	-1.754	-120	2.299
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>-762</b>	<b>1.128</b>	<b>34.975</b>

Condensed cash flow information for the year ending 1/1- 31/12/2021	
<u>Other Countries</u>	BILYONER INTERAKTIF HIZMELTER AS GROUP
Operating activities	6.745
Investing activities	-1.224
Financing activities	-5.775
Effect of exchange differences	-4.182
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>-4.436</b>

Condensed cash flow information for the year ending 1/1- 31/12/2020	
<u>European Union</u>	MALTCO LOTTERIES LTD
Operating activities	7.933
Investing activities	-98
Financing activities	-5.303
Effect of exchange differences	0
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>2.532</b>



Condensed cash flow information for the year ending 1/1- 31/12/2020			
America	TECNO ACCION S.A.	TECNO ACCION SALTA S.A.	INTRALOT INC
Operating activities	2.390	578	39.030
Investing activities	-746	109	-12.053
Financing activities	-1.634	-1.216	-17.764
Effect of exchange differences	119	-857	-791
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>128</b>	<b>-1.387</b>	<b>8.423</b>

Condensed cash flow information for the year ending 1/1- 31/12/2020	
Other Countries	BILYONER INTERAKTIF HIZMELTER AS GROUP
Operating activities	11.625
Investing activities	-128
Financing activities	-1.130
Effect of exchange differences	-1.759
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>8.607</b>

## XI. Investments in companies consolidated with the equity method

### i) Investment in associates

The Group has significant influence over the below associates. The Group consolidates these associate companies with the equity consolidation method. The following table illustrates the summarized financial information of the Group's investment in associates:

GROUP INVESTMENT IN ASSOCIATES AND JOINT VENTURES			
	Country	31/12/2021	31/12/2020
LOTTRICH INFORMATION Co LTD	Taiwan	40%	40%
INTRALOT SOUTH AFRICA LTD	S. Africa	45%	45%
Goreward LTD Group	Taiwan	38,84%	38,84%
KARENIA ENTERPRISES COMPANY LTD	Cyprus	50%	50%

Condensed statement of financial position as at 31/12/2021	LOTTRICH INFORMATION Co LTD	KARENIA ENTERPRISES COMPANY LTD
Non-current assets	12	13.500
Current assets	19.686	6
Non-current liabilities	0	0
Current liabilities	-2.402	-111
<b>Total equity</b>	<b>17.296</b>	<b>13.395</b>
<b>Group's investment book value</b>	<b>6.733</b>	<b>6.696</b>

Condensed statement of financial position as at 31/12/2020	LOTTRICH INFORMATION Co LTD	KARENIA ENTERPRISES COMPANY LTD
Non-current assets	13	13.500
Current assets	17.332	2
Non-current liabilities	0	0
Current liabilities	-1.696	-75
<b>Total equity</b>	<b>15.648</b>	<b>13.428</b>
<b>Group's investment book value</b>	<b>6.074</b>	<b>6.713</b>

Condensed statement of profit or loss for the period 1/1- 31/12/2021	LOTTRICH INFORMATION Co LTD	KARENIA ENTERPRISES COMPANY LTD
Sales Proceeds	6.562	0
Gross Profit/ (loss)	1.570	0
EBITDA	708	-26
Profit / (loss) before tax	708	-28
Tax	-142	0
<b>Profit / (loss) after tax</b>	<b>567</b>	<b>-28</b>
Other comprehensive income after tax	1.711	0



<b>Total comprehensive income after tax</b>	<b>2.278</b>	<b>-28</b>
<b>Group's share of total comprehensive income of the period after taxes</b>	<b>911</b>	<b>-14</b>
Dividends received by the Group from the associates	685	

<b>Condensed statement of profit or loss for the period 1/1- 31/12/2020</b>	<b>LOTTRICH INFORMATION Co LTD</b>	<b>KARENIA ENTERPRISES COMPANY LTD</b>
Sales Proceeds	7.327	0
Gross Profit/ (loss)	1.707	0
EBITDA	934	-32
Profit / (loss) before tax	868	-33
Tax	-179	0
<b>Profit / (loss) after tax</b>	<b>690</b>	<b>-33</b>
Other comprehensive income after tax	-427	0
<b>Total comprehensive income after tax</b>	<b>263</b>	<b>-33</b>
<b>Group's share of total comprehensive income of the period after taxes</b>	<b>105</b>	<b>-17</b>
Dividends received by the Group from the associates	-171	0

<b>Reconciliation of the condensed financial statements with the carrying amount of the investment</b>	<b>LOTTRICH INFORMATION Co LTD</b>	<b>KARENIA ENTERPRISES COMPANY LTD</b>
<b>Carrying amount of Investment as of 31/12/2019</b>	<b>7.379</b>	<b>6.731</b>
Profit / (Loss) after taxes of the period	276	-17
Other Comprehensive Income after tax of the period	-171	
Dividends	-1.411	
Transfer to Assets Held for Sale		
Impairment provision		
Other		-1
<b>Carrying amount of Investment as of 31/12/2020</b>	<b>6.074</b>	<b>6.713</b>
Profit / (Loss) after taxes of the period	227	-14
Other Comprehensive Income after tax of the period	685	0
Dividends	-252	0
Transfer to Assets Held for Sale		
Impairment provision		
Other		-2
<b>Carrying amount of Investment as of 31/12/2021</b>	<b>6.733</b>	<b>6.696</b>

## ii) Investment in Joint Ventures

In addition, the Group owns 50% of Karenia Enterprises Co Ltd, a Cyprus-based joint venture, and consolidates it from January 2018 using the equity method applying IFRS 11 "Joint Arrangements". This company participates with 30% stake in "ATHENS RESORT CASINO SA HOLDINGS", which owns 51% of the Greek Casino Parnitha SA."ATHENS RESORT CASINO SA HOLDINGS" is not consolidated by the Intralot Group and Karenia Enterprises Co Ltd.'s investment is valued at cost pursuant to IFRS 9.

<b>Condensed statement of financial position as at 31/12/2021:</b>	<b>Karenia Enterprises Co Ltd</b>
Non-current assets	13.500
Current assets	6
Long-term liabilities	0
Short-term liabilities	-111
<b>Total Equity</b>	<b>13.395</b>



<b>Group's investment book value</b>	<b>6.696</b>
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<b>Condensed statement of financial position as at 31/12/2020:</b>	<b>Karenia Enterprises Co Ltd</b>
Non-current assets	13.500
Current assets	2
Long-term liabilities	0
Short-term liabilities	-75
<b>Total Equity</b>	<b>13.427</b>
<b>Group's investment book value</b>	<b>6.713</b>

<b>Condensed statement of profit or loss for the period 1/1-31/12/2021:</b>	<b>Karenia Enterprises Co Ltd</b>
Sale Proceeds	0
Gross Profit / (loss)	0
Profit / (loss) before taxes, financing, investing results and depreciation (EBITDA)	-26
Profit / (loss) before tax	-28
Tax	0
<b>Profit/ (loss) after tax</b>	<b>-28</b>
Other comprehensive income after tax	0
<b>Total comprehensive income after tax</b>	<b>-28</b>
<b>Total comprehensive income after tax of the Group</b>	<b>-14</b>
Joint ventures' dividends received from Group	0

<b>Condensed statement of profit or loss for the period 1/1-31/12/2020:</b>	<b>Karenia Enterprises Co Ltd</b>
Sale Proceeds	0
Gross Profit / (loss)	0
Profit / (loss) before taxes, financing, investing results and depreciation (EBITDA)	-32
Profit / (loss) before tax	-33
Tax	0
<b>Profit/ (loss) after tax</b>	<b>-33</b>
Other comprehensive income after tax	0
<b>Total comprehensive income after tax</b>	<b>-33</b>
<b>Total comprehensive income after tax of the Group</b>	<b>-17</b>
Joint ventures' dividends received from Group	0

<b>Reconciliation of condensed financial statements presented in the book value of investments</b>	<b>Karenia Enterprises Co Ltd</b>
<b>Investment's book value as at 31/12/2019:</b>	<b>6.731</b>
Profit / (loss) after tax of the period	-17
Other	-1
<b>Investment's book value as at 31/12/2020:</b>	<b>6.713</b>
Profit / (loss) after tax of the period	-14
Other	-2
<b>Investment's book value as at 31/12/2021:</b>	<b>6.696</b>

## **B. REAL LIENS**

A Group subsidiary in Malta has banking facility amounting €4,3 millions, for issuing bank letters of guarantee. This facility is secured by an initial general mortgage on all the subsidiary's present and future assets (on 31/12/2021 the letters of guarantee used amounted to €4,0 millions). Also, a subsidiary of the Group in Netherlands has a banking facility amounting €18,0 millions for revolving

facility and issuing bank letters of guarantee, with relevant securities on financial assets (on 31/12/2021 the utilized letters of guarantee amounted to €10,2 millions).

There are no other restrictions than the above, in the ownership or transfer or other encumbrances on the Group's property.

In the Group Statement of Financial Position (line "Trade and other short-term receivables") of 31/12/2021 are included restricted bank deposits as security coverage for banking facilities amounting €8.253 thousand (31/12/2020: €4.929 thousand) and other restricted bank deposits amount to €125 thousand (31/12/2020: €366 thousand). Respectively, for the Company on 31/12/2021 are included restricted bank deposits as security coverage for banking facilities amounting €4.536 thousand (31/12/2020: €1.650 thousand) and other restricted bank deposits amount to €122 thousand (31/12/2020: €124 thousand).

### C. PROVISIONS

GROUP	Litigation cases <sup>1</sup>	Unaudited fiscal years and tax audit expenses <sup>2</sup>	Other provisions <sup>3</sup>	Total provisions
<b>Period opening balance</b>	<b>4.303</b>	<b>6.630</b>	<b>2.436</b>	<b>13.370</b>
Period additions	113	27	6.927	<b>7.067</b>
Utilized provisions	-411	0	-80	<b>-491</b>
Change of consolidation method	15	0	-15	<b>0</b>
Foreign exchange differences	-3	0	-124	<b>-127</b>
<b>Period closing balance</b>	<b>4.017</b>	<b>6.658</b>	<b>9.144</b>	<b>19.819</b>
<b>Long-term provisions</b>	<b>3.962</b>	<b>6.658</b>	<b>4.569</b>	<b>15.189</b>
<b>Short-term provisions</b>	<b>55</b>	<b>0</b>	<b>4.576</b>	<b>4.630</b>
<b>Total</b>	<b>4.017</b>	<b>6.658</b>	<b>9.144</b>	<b>19.819</b>

<sup>1</sup> Relate to litigation cases as analyzed in note [2.21.A](#).

<sup>2</sup> Relate to provisions for the coverage of differences from future audits for income taxes and other taxes. It is expected to be used in the next 1-3 years.

<sup>3</sup> Relate to provisions for risks none of which are individually material to the Group except from provisions for additional fees (bonus) and other employee benefits of the Group amounting to €1.429 thousand as well as provisions amounting to €1.640 thousand for earned winnings which relate to sports betting prizes and guaranteed future numerical games jackpots. The Other provisions are expected to be used in the next 1-6 years.

COMPANY	Litigation cases <sup>1</sup>	Unaudited fiscal years and tax audit expenses <sup>2</sup>	Other provisions <sup>3</sup>	Total provisions
<b>Period opening balance</b>	<b>3.991</b>	<b>6.630</b>	<b>0</b>	<b>10.622</b>
Utilized provisions	-117	0	0	<b>-117</b>
Foreign exchange differences	0	0	0	<b>0</b>
<b>Period closing balance</b>	<b>3.874</b>	<b>6.630</b>	<b>0</b>	<b>10.504</b>
<b>Long-term provisions</b>	<b>3.947</b>	<b>6.630</b>	<b>0</b>	<b>10.577</b>
<b>Short-term provisions</b>	<b>40</b>	<b>0</b>	<b>0</b>	<b>40</b>
<b>Total</b>	<b>3.987</b>	<b>6.630</b>	<b>0</b>	<b>10.617</b>

<sup>1</sup> Relate to litigation cases as analyzed in note [2.21.A](#).

<sup>2</sup> Relate to provisions for the coverage of differences from future audits for income taxes and other taxes. It is expected to be used in the next 1-3 years.

### D. PERSONNEL EMPLOYED

The number of employees of the Group on 31/12/2021 amounted to 1.840 persons (Company/subsidiaries 1.803 and associates 37) and the Company's to 427 persons. At the end of 2020, the number of employees of the Group amounted to 3.447 persons (Company/subsidiaries 2.046 and associates 1.401) and the Company's to 595 persons.



## **E. RELATED PARTY DISCLOSURES**

Intralot SA purchases goods and services and/or provides goods and services to various related companies, in the ordinary course of business. These related companies consisting of subsidiaries, associates or other related companies which have common ownership and / or management with Intralot SA.

Below is a condensed report of the transactions for 2021 and the balances on 31/12/2021 of other related parties:

Amounts reported in thousands of € (total operations)	GROUP		COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Income				
-from subsidiaries	0	0	51.201	41.334
-from associates and joint ventures	2.181	4.546	2.433	6.272
-from other related parties	437	382	43	6
Expenses				
-to subsidiaries	0	0	32.356	26.173
-to associates and joint ventures	0	10	0	0
-to other related parties	6.112	10.263	3.566	5.130
Receivables				
-from subsidiaries	0	0	48.866	69.294
-from associates and joint ventures	4.917	5.069	4.872	5.026
-from other related parties	12.366	10.107	1.877	1.798
Payables				
-to subsidiaries	0	0	281.754	331.715
-to associates and joint ventures	0	466	0	466
-to other related parties	7.922	7.992	3.140	4.868
BoD and Key Management Personnel transactions and fees	7.605	8.643	5.206	6.293
BoD and Key Management Personnel receivables	32	0	0	0
BoD and Key Management Personnel payables	360	343	263	240
(A) The respective amounts are analyzed as follows:				
Total due from related parties	17.316	15.177	55.615	76.118
(less) long term portion (note 2.19)	695	1.408	15	28
<b>Short term receivables from related parties (note 2.20)</b>	<b>16.621</b>	<b>13.769</b>	<b>55.600</b>	<b>76.090</b>
(B) The respective amounts are analyzed as follows:				
Total due to related parties	8.282	8.801	285.157	337.289
(less) long term debt	4.611	1.070	250.648	309.088
(less) long term liabilities (note 2.28)	0	0	0	0
<b>Short term payables to related parties (note 2.29 &amp; 2.25)</b>	<b>3.671</b>	<b>7.731</b>	<b>34.509</b>	<b>28.201</b>

Sales and services to related parties are made at normal market prices. Outstanding balances at year end are unsecured and settlement occurs in cash. No guarantees have been provided or received for the above receivables.

In 2021, the Company made provisions of €131 thousand concerning an estimate of reduction of the recoverable value of receivables from subsidiaries. . The accumulated provisions of 31/12/2021 amounted to €0,2 million (31/12/2020: €0,4 million).

### **2.32 CONTINGENT LIABILITIES, ASSETS AND COMMITMENTS**

#### **A. LITIGATION CASES**

a. In Colombia, INTRALOT, on 22nd July 2004, entered into an agreement with an entity called Empresa Territorial para la salud ("Etesa"), under which it was granted with the right to operate games of chance in Colombia. In accordance with terms of the abovementioned agreement, INTRALOT has submitted an



application to initiate arbitration proceedings against Etesa requesting to be recognized that there has been a disruption to the economic balance of abovementioned agreement to the detriment of INTRALOT and for reasons not attributable to INTRALOT and that Etesa to be compelled to the modification of the financial terms of the agreement in the manner specified by INTRALOT as well as to pay damages to INTRALOT (including damages for loss of profit) or alternatively to terminate now the agreement with no liability to INTRALOT. The arbitration court adjudicated in favor of Etesa the amount of 23,6 billion Colombian pesos (approx. €5,1m). The application for annulment of the arbitration award filed by INTRALOT before the High Administrative Court was rejected. The Company filed a lawsuit before the Constitutional Court which was rejected. On 31 August 2016, an application was served to the Company requesting to render the abovementioned arbitration decision as executable in Greece which was heard before the Athens One-Member First Instance Court and the decision issued accepted it. The Company filed an appeal against this decision which was rejected by the Athens Court of Appeals. The Company filed, before the Supreme Court, a cassation appeal against the decision of the Athens Court of Appeals which was rejected. The Company has created relative provision in its financial statements part of which (€2,2m) has already been used for the payment to Etesa of a letter of guarantee amounting to 7.694.081.042 Colombian pesos.

b. Against the subsidiary Intralot Holdings International Ltd., a shareholder of LOTROM SA and against LOTROM SA, another shareholders of LOTROM SA, Mr. Petre Ion filed a lawsuit before the competent court of Bucharest requesting that Intralot Holdings International Ltd to be obliged to purchase his shares in LOTROM SA for €2.500.000 and that LOTROM SA to be obliged to register in the shareholders book such transfer. Following the hearing of 28th September 2010 a decision of the court was issued accepting the lawsuit of the plaintiff. Intralot Holdings International Ltd and LOTROM SA filed an appeal which was rejected. The abovementioned companies further filed a recourse before the Supreme Court which was heard and rejected. Mr. Petre Ion initiated an enforcement procedure of the above decision in Romania. The companies will exercise legal means against the enforcement procedure according to the provisions of the Romanian laws.

c. Mr. Petre Ion filed in Romania a lawsuit against Intralot Holdings International Ltd and LOTROM requesting to issue a decision to replace the share purchase contract of its shares in LOTROM SA for €2.500.000 (for which he had filed the above lawsuit) in order to oblige Intralot Holdings International Ltd a) to pay the amount of €400.000 as tax on the above price, b) to sign on the shareholders book for the transfer of the shares, c) to pay the price of the transfer and the legal costs. The Court of First Instance rejected Mr. Petre Ion's lawsuit. Mr. Petre Ion filed an appeal which was heard on 4 November 2014 and was partially accepted. The Company filed an appeal against this decision which was rejected. Following postponements, the case was heard on 10 June 2016 and the respective first instance decision was issued on 19 July 2016; the lawsuit against LOTROM was rejected while it was accepted partially in respect to its part filed against Intralot Holdings International Ltd., obligating the latter to pay the amount of the purchase and the legal expenses. Both Intralot Holdings International Ltd. and Mr. Petre Ion filed appeals against this decision which was heard and were rejected. The decision became final, while the application for cassation filed by Intralot Holdings International Ltd was rejected. While since 2018 there has been no action by the plaintiff, recently it was notified to Intralot Holdings International Ltd. that, following a unilateral petition of the plaintiff (ex parte procedure, i.e. without Intralot Holdings International Ltd. to be summoned and represented), a decision was issued by the Cypriot court



appointing Bank of Cyprus as custodian of the amount of the account held by Intralot Holdings International Ltd. in that bank, as precautionary measure to ensure the payment of the claim of the plaintiff pursuant to the decision of the courts of Romania. This decision has been rendered enforceable in Cyprus by the local court in October 2020 also without any knowledge of Intralot Holdings International Ltd. since the same unilateral procedure ex parte had been followed by the plaintiff. After being informed on the above, Intralot Holdings International Ltd. objected before the court of Cyprus which, on 23 July 2021, didn't accept its arguments. Intralot Holdings International Ltd. filed an appeal against this decision before the competent courts of Cyprus which is pending. Intralot Holdings International Ltd. considers that has valid grounds to deny the execution of the decision in Cyprus.

d. In August 2012, two British Virgin Island companies filed a Complaint in the United States Bankruptcy Court Southern District of Florida, Miami Division, against numerous defendants, including Supreme Ventures Limited ("SVL"), a publicly traded gaming company listed on the Jamaican Stock Exchange in which INTRALOT was holding until 10.10.2017 an indirect shareholding interest. Notably, as per SVL, the lawsuit is based on the same claims, towards third parties, initial shareholders and/or directors of SVL, or not, which were brought in, and were rejected by the Jamaican courts, first by the Supreme Court and then again by the Court of Appeals. INTRALOT is named as a «Relief Defendant» which means that INTRALOT is not alleged to have been part - directly or indirectly - of any wrongdoing, since the alleged by the plaintiffs acts are made before the acquisition of SVL's shares by INTRALOT through the Jamaican Stock Exchange. The lawsuit was rejected by the Court. The other party filed an appeal which is pending. Recently the litigant parties submitted to the Court a joint stipulation of dismissal of the case the Court's decision is expected.

e. On 30 July 2012, Intralot filed before the Athens Multi-member Court of First Instance a lawsuit against the company "Hellenic Organization of Horse Racing S.A." (ODIE) requesting the payment of the amount of €2.781.381,15 relating to system maintenance services provided but not paid. The case was heard on 6th May 2015 and a decision was issued accepting Intralot's lawsuit in full. ODIE filed an appeal against this decision which has been heard on 1 November 2018 before the Athens Court of Appeal which was rejected with the decision no. 3153/2019 of the Athens Court of Appeal. The decision has not been further appealed and, therefore, has become final and irrevocable. Moreover, Intralot filed a recourse to the arbitration panel on 13 August 2012 against the same company ODIE requesting the payment of the amount of €9.551.527,34 relating to operational services of integrated system provided but not paid. The arbitration was concluded on 1st March 2013 and the arbitration decision no 27/2013 was issued vindicating Intralot and compelling ODIE to pay to Intralot the total amount requested (€9.551.527,34). In order to secure its claims, Intralot:

a) by virtue of the above arbitration decision, has already recorded on the mortgage books of the Land Registry Office of Kropia a mortgage on a land property of ODIE and specifically on the property where the Horse Racetrack of Athens in Markopoulo Attica is operating, and on the buildings thereupon, for an amount of €11.440.655,35.

b) by virtue of the decision no 2209/2014 of the Athens Single Member Court of First Instance, has already recorded on the mortgage books of the Land Registry Office of Kropia, a note of mortgage on the same real estate of ODIE for an amount of €9.481.486,11, which, following the issue of the above

decision no. 3153/2019 of the Athens Court of Appeal, partially turned to a mortgage for the total amount adjudicated, i.e. for the amount of €2.781.381,15.

c) advanced the procedure of compulsory execution against ODIE in order to execute its claims. Furthermore, on 20 March 2014, Intralot filed before the Athens Multi-member Court of First Instance a lawsuit against ODIE requesting the payment of the amount of €8.043.568,69 which is owed to it pursuant to the "Agreement of Maintenance and Operation of the System of the Mutual Betting on Horse Races of ODIE" dated 6 March 2012. The lawsuit was heard on 4 October 2017 and the decision issued accepted the lawsuit. ODIE filed an appeal which was rejected by the Athens Court of Appeals in December 2019. The decision is final. No petition for cassation has been notified to the Company.

The confiscation on the above land property of ODIE in Markopoulo Attica imposed in the frame of the abovementioned procedure of compulsory execution against ODIE, was reversed with the consent of Intralot on 15 December 2015 in execution of the terms of the agreement dated 24 November 2015 between Intralot and ODIE which settled the payment of all above claims of Intralot. Pursuant to this agreement, ODIE assigned to Intralot 2/3 of the rent which it will receive from the lease agreement relating to that real estate to the company "Ippodromies SA". The payment of the assigned rent amounts has already been started.

Intralot filed before the Athens Multi Member Court of First Instance a lawsuit dated 8.3.2021 against ODIE (under liquidation), the company "Hellenic Republic Asset Development Fund SA" (HRADF) and the Greek State, requesting to be recognized that the above agreement is binding, in addition to ODIE, for HRADF and the Greek State, to oblige all defendants to pay to INTRALOT €487.079,32 and to be recognized that all defendants are obliged to pay to INTRALOT the total amount of €4.747.489,91, while HRADF and the Greek State the amount of €12.676.846,6. The case is pending. The hearing has been scheduled for 22 September 2022.

f. A former officer of the Company filed a lawsuit before the Athens First Instance Court requesting to be recognized that the Company had to pay him the amount of €121.869,81 as non-paid wages. The decision issued partially accepted the lawsuit in relation to the amount of €80.685,42. Both parties have filed appeals which are on 24 November 2020. The decision issued by the Athens Court of Appeals accepts the appeal of the Company and totally rejects the appeal of the plaintiff. The decision is final. On 4 March 2022 a petition for cassation has been served to the Company which is scheduled to be heard before the Supreme Court on 25 October 2022.

g. In Cyprus, the National Betting Authority had suspended the Class A license of the company Royal Highgate Pcl Ltd. in which the Company has an indirect participation of approx. 35,08%, initially for a period of two months, alleging non-compliance of Royal Highgate Pcl Ltd. with specific terms of the license. Royal Highgate Pcl Ltd. considering that those requested by the National Betting Authority are beyond the provisions of the law, filed a recourse before the competent administrative court of Nicosia which was heard on 30 March 2018. The decision issued rejects the recourse for typical reasons. Royal Highgate Pcl Ltd. filed an appeal against this decision which has been heard, following postponement, on 8 March 2021 and was rejected for the same typical reasons. In parallel, Royal Highgate Pcl Ltd. has filed three more recourses against decisions of the National Betting Authority relating to the suspension of the license of Royal Highgate Pcl Ltd. which are all scheduled for hearing, following postponements, on 11 April 2022. National Betting Authority started the procedure for the revocation of the license of



Royal Highgate Pcl Ltd. and the latter submitted its arguments on 30 November 2018 without any further actions from the National Betting Authority. On 31 December 2018, the contractual term of the license of Royal Highgate Pcl Ltd. expired.

h. In USA, in South Carolina State, class actions were filed against the local lottery South Carolina Education Lottery Commission and the subsidiary Intralot Inc. for breach of contract with the allegation that because of malfunctioning of the system there were winning tickets which were not paid and claiming a total compensation of approx. 35 million USD (€30,9 million). The local court accepted Intralot Inc.'s motions to dismiss in two lawsuits, holding that the plaintiffs were required to exhaust administrative remedies and failed to do so. The other side filed appeals against such decisions which are pending. The third similar lawsuit was rejected finally by the court. The Group's management, relying on local expert legal counsels' opinion, considers that the lawsuits have low probability of success. It is noted that with regards to such cases, the Group has a respective insurance coverage.

i. A former employee of the Company filed two lawsuits before the Athens First Instance Court requesting, with the first one, the payment of the amount of €133.179,47 for unpaid salaries and €150.000 as compensation for moral damages and, with the second one, the amount of €259.050 for overdue salaries calculated until 3 December 2019 and €150.000 as compensation for moral damages. The first lawsuit was heard on 28 February 2018 and the decision issued partially accepted the lawsuit in relation to the amount of €46.500,82. Both parties filed appeals against this decision which were heard on 22 September 2020 and the decision issued orders the re-hearing of the case after the submission of further evidences. A new hearing date was scheduled for 25 May 2022. The second lawsuit has been scheduled for hearing, following postponements, on 3 November 2022. The Company had made respective provisions to its financial statements.

j. On 1 April 2019, the Company filed a Request for Arbitration before the ICC International Court of Arbitration requesting to be declared that the defendant Sisal SpA has breached a contract signed with Intralot by using, in Morocco, terminals and the software embedded therein. A decision of the ICC was issued declaring that Sisal SpA has breached the terms of the abovementioned contract and specifically that it has breach the intellectual property rights of Intralot with regards to the software TAPIS embedded in the terminals which Sisal SpA installed in Morocco, it ordered to cease supplying such terminals in Morocco and also ordered their removal until 31 December 2021, it rejected the requests for compensation against the respondent and ordered Sisal SpA to pay part of the costs and expenses of the arbitration.

k. In Morocco, "La Société de Gestion de la Loterie Nationale" ("SGLN") filed a lawsuit against the Company and its subsidiary Intralot Maroc claiming that it exercised unilaterally its option to transfer to it the equipment of Intralot which was used jointly by SGLN and the other local lottery "La Marocaine des Jeux et des Sports" ("MDJS") and, because of Intralot's denial, it suffered damages in the amount of MAD 18.000.000 (€1.713.290,37) which corresponds to the value of the equipment, while, additionally, it requests MAD 34.000.000 (€3.236.215,15) as loss of profit. It is also requesting the call of the letter of guarantee amounting to MAD 30.000.000 (€2.855.483,96). It is noted that according to the terms of the Intralot's contracts with the two lotteries SGLN & MDJS, the option for the transfer of the equipment as well as any call of the letters of guarantee can only be exercised with a joint request of both entities SGLN & MDJS. The case was scheduled to be heard, following postponements, on 7 June



2021 when a report of a judicial expert was submitted to the court and the court ordered, once more, the submission of a third expert's report which was submitted and a new hearing date has been scheduled for 7 April 2022.

l. In Malta a lawsuit was filed against the subsidiary Maltco Lotteries Ltd. and the company ATG, having its registered offices in Sweden, by a player of horse races betting games who is requesting the payment of the amount of approx. €1,5m as non-paid winnings. The specific betting game is conducted by the company ATG which refused the payment of the requested amount due to breach of the gaming rules by the player. The case has been scheduled for hearing, following postponement, on 3 May 2022.

m. In U.S.A. the funds Northlight European Fundamental Credit Fund, HCN LP and Bardin Hill Investment Partners LP, claiming holding notes due in 2024 amounting approximately to 3,5%-4%, filed a complaint on 29 July 2021 before the US District Court for the Southern District of New York against Intralot and companies of its group (Intralot Capital Luxembourg S.A., Intralot Global Holdings B.V., Intralot, Inc. and Intralot US Securities, B.V.), requesting to be declared that the exchanges of notes due in 2021 and in 2024 breach certain provisions of the indenture agreement governing the notes maturing in 2024, as well as the New York legislation. The plaintiffs amended their complaint by on January 31, 2022 by adding new plaintiffs (Halcyon Eversource Credit LLC, Halcyon Vallee Blanche Master Fund LP, HDML Fund II LLC, CQS Credit Opportunities Master Fund, CQS ACS Fund, CQS Directional Opportunities Master Fund Ltd & BIWA Fund Ltd.) and new defendants (Intralot U.S. Holdings BV and The Law Debenture Trust Corporation P.L.C.). On March 31, 2022, Intralot requested from the court to consider a motion to dismiss. A Plaintiffs' motion seeking a temporary restraining order to enjoin the notes exchanges was denied by the court on 2 August 2021 and the exchanges of notes due in 2021 and in 2024 were completed.

Until April 4, 2022, apart from the legal issues for which a provision has been recognized, the Group Management estimates that the rest of the litigations will be finalized without a material effect on the Group's and the Company's financial position and results.

## B. FISCAL YEARS UNAUDITED BY THE TAX AUTHORITIES

### 1) COMPANY AND SUBSIDIARIES

COMPANY	YEARS	COMPANY	YEARS
INTRALOT S.A.	2016-2021	INTRALOT BEIJING Co LTD	-
BETTING COMPANY SA	2016-2021	TECNO ACCION S.A.	2015-2021
BETTING CYPRUS LTD	2016-2021	TECNO ACCION SALTA S.A.	2015-2021
INTRALOT IBERIA HOLDINGS SA	2017-2021	MALTCO LOTTERIES LTD	2016-2021
INTRALOT JAMAICA LTD	2010-2021	INTRALOT NEW ZEALAND LTD	2013 & 2017-2021
INTRALOT TURKEY A.S.	2016-2021	INTRALOT GERMANY GMBH	2018-2021
INTRALOT DE MEXICO LTD	2015-2021	INTRALOT FINANCE UK LTD	2020-2021
INTRALOT CHILE SPA	2019-2021	INTRALOT CAPITAL UK LTD	-
INTELTEK INTERNET AS	2017-2021	NIKANTRO HOLDINGS Co LTD	2016-2021
INTRALOT SERVICES S.A.	2016-2021	INTRALOT BETTING OPERATIONS (CYPRUS) LTD	2016-2021
BILYONER INTERAKTIF HIZMELTER AS GROUP	2020-2021	ROYAL HIGHGATE LTD	2016-2021
INTRALOT MAROC S.A.	2018-2021	INTRALOT LEASING NEDERLAND B.V.	2013-2021
INTRALOT INTERACTIVE S.A.	2016-2021	INTRALOT IRELAND LTD	2016-2021
INTRALOT GLOBAL SECURITIES B.V.	2013-2021	INTRALOT GLOBAL OPERATIONS B.V.	2016-2021
INTRALOT CAPITAL LUXEMBOURG S.A.	2016-2021	BIT8 LTD	2016-2021
INTRALOT FINANCE LUXEMBOURG S.A. <sup>1</sup>	2018	INTRALOT ADRIATIC DOO	2015-2021
INTRALOT GLOBAL HOLDINGS B.V.	2013-2021	INTRALOT BETCO EOOD	2020-2021
INTRALOT US SECURITIES B.V.	2021	INTRALOT CYPRUS GLOBAL ASSETS LTD	2016-2021



INTRALOT US HOLDINGS B.V.	2021	INTRALOT HOLDINGS INTERNATIONAL LTD	2016-2021
INTRALOT INC	2018-2021	INTRALOT INTERNATIONAL LTD	2016-2021
DC09 LLC	2018-2021	INTRALOT OPERATIONS LTD	2016-2021
INTRALOT TECH SINGLE MEMBER S.A.	2019-2021	NETMAN SRL	2014-2021
INTRALOT AUSTRALIA PTY LTD	2017-2021	INTRALOT BUSINESS DEVELOPMENT LTD	2016-2021
INTRALOT GAMING SERVICES PTY	2017-2021	GAMING SOLUTIONS INTERNATIONAL SAC	2017-2021
INTRALOT NEDERLAND B.V.	2010-2021	INTRALOT BETTING OPERATIONS RUSSIA LTD	2012-2021
INTRALOT BENELUX B.V.	2018-2021	INTRALOT DE COLOMBIA (BRANCH)	2016-2021
LOTROM S.A.	2014-2021		

<sup>1</sup> The company INTRALOT FINANCE LUXEMBOURG S.A. have been merged with INTRALOT CAPITAL LUXEMBOURG S.A..

In Bilyoner İnteraktif Hizmetler AS the tax audit for the years 2018-2019 was completed, during which a fine of €132 thousand and a tax audit for the year 2020 is in progress, while in Inteltek Internet AS has been notified of a dividend tax audit for 2018. A tax audit for Intralot Germany GMBH is in progress for years 2016-2018, while in Intralot Iberia Holdings SA a VAT audit is completed for 2016 and a limited audit of double taxation for years 2016-2018 without imposing any penalties/fines. In Lotrom S.A. the audit initiated by the local tax authorities with respect to financial activities for transactions subject to VAT for the period 2004-2014 was completed in the fourth quarter of 2016. By order of the competent Prosecutor of Romania, the case was filed. No appeal has been lodged against this provision.

In the context of Law 2238/94 Art. 82 par. 5 and POL.1159/2011, companies Betting Company SA and Intralot Interactive SA have received a tax certificate for the years 2016-2020 and Intralot Services SA for the years 2016-2018 and 1/1-22/7/2019 when the liquidation process started. Intralot Tech – Single Member SA has received a tax certificate for the fiscal year 2019, while Intralot SA has received a tax certificate for fiscal years 2016-2018 and the issuance of a tax certificate is pending for 2019 & 2020.

In Intralot SA during the tax audit for the year 2011, completed in 2013, were imposed taxes on accounting differences plus surcharges amounting to €3,9 million. The Company lodged an administrative appeal against the relevant control sheets resulting in a reduction of taxes to €3,34 million. The Company filed new appeals to the Greek Administrative Courts which did not justify the Company, which filed an appeal before the Council of State. The Company's management and its legal advisors estimate that there is a significant probability that the appeal will thrive finally for the most part. The Company has formed sufficient provisions and has paid the whole amount of taxes.

In Intralot SA, after the completion of tax audit for 2013, as well as partial re-audit of 2011 and 2012, completed in 2019, taxes, VAT, fines, and surcharges of €15,7 million were imposed. The Company filed appeals against the relevant control sheets resulting in a reduction of taxes to €5,4 million. On 11.11.2020, the Company filed six appeals to the Athens Three-Member Administrative Court of Appeal against decisions of the Dispute Resolution Directorate of A.A.D.E. to the extent that they rejected the company's appeals, requesting their annulment. The total amount charged totals to €5,4 million. As of 7/4/2022 a trial of the case is appointed of amount €4,6 million, while for the amount of €0,78 million, court decision were issued according to which: a) the first appeal was partially accepted and the amount of €260 thousand was reduced by the court at €2,5 thousand, b) the second appeal (charged amount €146 thousand) was partially accepted and will be followed by a re-settlement of income tax, after deducting accounting differences amounting to €306 thousand, and c) the third appeal ( charged amount €376 thousand) was rejected. Appeals will be brought against the last two decisions. It is noted that the amounts charged have already been paid by the Company and therefore the final result of the appeals will not in any case result in further financial burden for the Company. Also, during the tax audit of the years 2014 & 2015, completed in 2020, taxes were charged for accounting differences plus surcharges of €353



thousand. The Company filed appeals against the relevant control sheets resulting in a reduction of taxes to €301 thousand. The Company will file appeals in the Administrative Courts against the decisions of the Dispute Resolution Directorate of A.A.D.E. to the extent that they rejected the Company's appeals, requesting their annulment. The total amount charged amounts to € 301 thousand. The Company's management and its legal advisors estimate that the case has high success rates for the most part, either at this stage or at the highest court level. The Company has already paid all the taxes and surcharges charged. The Company has formed sufficient relevant tax provisions amounting to €3,5 million. Finally, a partial VAT audit is in process for the Company following a mandate for the period 1/2/2010-31/10/2012 upon request of assistance from Romanians to the Greek tax authorities on transactions with a Romanian company, as well as a partial tax audit for the fiscal years 2016 & 2017 after an audit mandate (November 2020).

## II) ASSOCIATE COMPANIES & JOINT VENTURES

COMPANY	YEARS	COMPANY	YEARS
LOTTRICH INFORMATION Co LTD	2021	OASIS RICH INTERNATIONAL LTD	-
INTRALOT SOUTH AFRICA LTD	2021	WUSHENG COMPUTER TECHNOLOGY (SHANGHAI) CO LTD	2021
GOREWARD LTD	-	UNICLIC LTD	2015-2021
GOREWARD INVESTMENTS LTD	-	DOWA LTD	2015-2021
PRECIOUS SUCCESS LTD GROUP	2020-2021	KARENIA ENTERPRISES COMPANY LTD	2012-2021

## C. COMMITMENTS

### I) Guarantees

The Company and the Group on December 31, 2021 had the following contingent liabilities from guarantees for:

	GROUP		COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Bid	318	0	286	0
Performance	108.795	106.270	4.512	22.723
Financing	1.948	4.978	200	200
Other	0	0	0	0
<b>Total</b>	<b>111.061</b>	<b>111.248</b>	<b>4.997</b>	<b>22.923</b>

	GROUP	
	31/12/2021	31/12/2020
Guarantees issued by the parent and subsidiaries:		
-to third party	111.061	111.248
-to third party on behalf of associates	0	0
<b>Total</b>	<b>111.061</b>	<b>111.248</b>

	COMPANY	
	31/12/2021	31/12/2020
Guarantees issued by the parent:		
- to third party on behalf of subsidiaries	3.141	21.066
- to third party on behalf of associates	0	0
- to third party on behalf of the parent	1.856	1.856
<b>Total</b>	<b>4.997</b>	<b>22.923</b>

#### Beneficiaries of Guarantees on 31/12/2021:

**Bid:** Department of Justice and Community Safety - State of Victoria Australia

**Performance:** Arkansas Lottery Commission, Camelot Illinois LLC, Centre Monétique Interbancaire (CMI), City of Torrington, District of Columbia, Georgia Lottery Corporation, GPT Pty Ltd, Hrvatska Lutrija D.O.O., Igra Dairesi Mudurlugu, Idaho State Lottery, La Marocaine Des Jeux et des Sports, Lotteries Commission of Western Australia, Lotto Hamburg, Louisiana Lottery Commission, Malta Gaming Authority, Meditel Telecom SA, Milli Piyango Idaresi Genel Mudurlugu, New Hampshire Lottery Commission, New Mexico Lottery Authority, Polla Chilena de Beneficencia S.A., Spor Toto, State of Montana, State of Ohio - Lottery Gaming System, State of Vermont - Vermont Lottery Commission, Town of Greybull, Town of Jackson, City of Gillette, Turk Telekomunikasyon, Bogazici Kurumlar Vergi Dairesi Mudurlugu, Wyoming Lottery Corporation, OPAP SA..



**Financing:** Bogazici Kurumlar Vergi Dairesi Mudurlugu, Denizli 9. Icras Mudurlugu , Airport EL. Venizelos Customs.  
**Other:** -

## II) Other commitments

The Group has contractual obligations for the purchase of telecommunication services for the interconnection of points of sale. The minimum future payments for the remaining contract duration on December 31, 2021 were:

GROUP	31/12/2021	31/12/2020
Within 1 year	592	2.187
Between 2 and 5 years	5.524	5.613
Over 5 years	0	0
<b>Total</b>	<b>6.116</b>	<b>7.800</b>

As of December 31, 2021, the Group did not have material contractual commitments for acquisition of tangible and intangible assets.

## 2.33 FINANCIAL RISK MANAGEMENT

### Description of significant risks and uncertainties

The Group's international activities create several financial risks in the Group's operation, due to constant changes in the global financial environment. The Group beyond the traditional risks of liquidity risk and credit risk also faces market risk. The most significant of these risks are currency risk and interest rate risk. The risk management program is a dynamic process that is constantly evolving and adapted according to market conditions and aims to minimize potential negative impact on financial results. The basic risk management policies are set by the Group Management. The risk management policy is implemented by the Treasury Department of the Group which operates under specific guidelines approved by management.

### Credit risk

The Group does not have significant credit risk concentration because of the wide dispersion of its customers and the fact that credit limits are set through signed contracts. The maximum exposure of credit risk amounts to the aggregate values presented in the financial position. In order to minimize the potential credit risk exposure arising from cash and cash equivalents, the Group sets limits regarding the amount of credit exposure to any financial institution. Moreover, in order to secure its transactions even more, the Group adopted an internal rating system, regarding credit rating evaluation, using the relevant financial indices.

### Liquidity risk

Prudent liquidity management means maintaining adequate liquidity, funding ability through approved credit limits, and ability to repay liabilities. The Group has established specific policies to manage and monitor its liquidity in order to continuously have sufficient cash and liquid non-core assets that can meet its obligations. In addition, the Group has set up a system of monitoring and constant optimization of its operating and investing costs in the framework of its liquidity management policies.

The following tables summarize the maturity of the financial liabilities of the Group based on 31/12/2021 and 31/12/2020:

GROUP	31/12/2021			Total
	0-1 years	2-5 years	> 5 years	
<b>Financial Liabilities:</b>				
Creditors and other liabilities <sup>1</sup> (note 2.29)	80.481	0	0	<b>80.481</b>
Other long-term liabilities <sup>1</sup> (note 2.28)	0	502	0	<b>502</b>
Income tax payable	5.571	0	0	<b>5.571</b>
Bonds (Senior Notes) <sup>2</sup>	36.538	670.050	0	<b>706.588</b>
Other Loans and lease liabilities <sup>3</sup>	4.601	7.963	2.758	<b>15.322</b>
<b>Total</b>	<b>127.190</b>	<b>678.515</b>	<b>2.759</b>	<b>808.464</b>

GROUP	31/12/2020			Total
	0-1 years	2-5 years	> 5 years	
<b>Financial Liabilities:</b>				
Creditors and other liabilities <sup>1</sup> (note 2.29)	75.798			<b>75.798</b>
Other long-term liabilities <sup>1</sup> (note 2.28)		570		<b>570</b>
Income tax payable	3.387			<b>3.387</b>
Bonds (Senior Notes) <sup>2</sup>	291.750	548.433		<b>840.183</b>
Other Loans and lease liabilities <sup>3</sup>	15.535	8.656	1.822	<b>26.012</b>
<b>Total</b>	<b>386.470</b>	<b>557.658</b>	<b>1.822</b>	<b>945.950</b>

<sup>1</sup> Excluding "Deferred Income" of notes 2.28 & 2.29 and refer to liabilities balances as of 31/12/2021 and 31/12/2020 as recognized in the relevant Statements of Financial Position, measured at amortized cost.

<sup>2</sup> Refer to Facilities "B", "Supplemental Indenture" and "SSN" of note 2.25 and include bonds balances (outstanding balance – after relevant repurchases) including future contractual interest up to maturity date, on undiscounted values, that differ to the relevant carrying amounts on Statements of Financial Position, that are measured at amortized cost according to IFRS 9.

<sup>3</sup> Refer to the Debt mentioned to the note 2.25 (excluding the above Bonds) as of 31/12/2021 & 31/12/2020 and is stated as has been recognized to the relevant Statements of Financial Positions, measured at amortized cost.

COMPANY <sup>4</sup>	31/12/2021			Total
	0-1 years	2-5 years	> 5 years	
<b>Financial Liabilities:</b>				
Creditors and other liabilities <sup>1</sup> (note 2.29)	37.187			<b>37.187</b>
Other long-term liabilities <sup>1</sup> (note 2.28)		36		<b>36</b>
Income tax payable	1.856			<b>1.856</b>
Loans and lease liabilities (note 2.25)	2.522	250.945		<b>253.467</b>
<b>Total</b>	<b>41.565</b>	<b>250.981</b>	<b>0</b>	<b>292.546</b>

COMPANY <sup>4</sup>	31/12/2020			Total
	0-1 years	2-5 years	> 5 years	
<b>Financial Liabilities:</b>				
Creditors and other liabilities <sup>1</sup> (note 2.29)	32.481			<b>32.481</b>
Other long-term liabilities <sup>1</sup> (note 2.28)				<b>0</b>
Income tax payable				<b>0</b>
Loans and lease liabilities (note 2.25)	450	309.453	79	<b>309.982</b>
<b>Total</b>	<b>32.931</b>	<b>309.453</b>	<b>79</b>	<b>342.462</b>

<sup>4</sup> Excluding "Deferred Income" of notes 2.28 & 2.29 and refer to liabilities balances as of 31/12/2021 and 31/12/2020 as recognized in the relevant Statements of Financial Position, measured at amortized cost.

## Market Risk

### 1) Foreign Exchange risk

Fluctuations in exchange rates can have significant effects on the Group's currency positions. Group transactions are carried out in more than one currency and therefore there is a high exposure in foreign exchange rate fluctuations against the euro, which is the main underlying economic currency. On the other hand, the Group's activity abroad also helps to create an advantage in foreign exchange risk management, due to the diversification in the currency portfolio. This kind of risk mainly results from commercial transactions in foreign currency as well as investments in foreign entities. For managing this type of risk, the Group enters into derivative financial instruments with various financial institutions, such as foreign currency hedging for receipts of foreign currency dividends by abroad subsidiaries. The Group's policy regarding the foreign exchange risk concerns not only the parent company but also the Group's subsidiaries.



<b>Sensitivity Analysis in Currency movements amounts of the period</b>			
<b>1/1 – 31/12/2021</b>			
<b>(in thousand €)</b>			
<b>Foreign Currency</b>	<b>Currency Movement</b>	<b>Effect in Earnings before taxes</b>	<b>Effect in Equity</b>
<b>USD:</b>	5%	1.136	-1.393
	-5%	-1.028	1.260
<b>TRY:</b>	5%	335	3
	-5%	-303	-2
<b>BRL:</b>	5%	-35	64
	-5%	31	-58
<b>CNY:</b>	5%	-100	100
	-5%	90	-90
<b>ARS:</b>	5%	298	406
	-5%	-270	-368

<b>Sensitivity Analysis in Currency movements amounts of the period</b>			
<b>1/1 – 31/12/2020</b>			
<b>(in thousand €)</b>			
<b>Foreign Currency</b>	<b>Currency Movement</b>	<b>Effect in Earnings before taxes</b>	<b>Effect in Equity</b>
<b>USD:</b>	5%	-1	7.073
	-5%	1	-6.400
<b>TRY:</b>	5%	346	349
	-5%	-313	-315
<b>BRL:</b>	5%	-629	694
	-5%	569	-628
<b>CNY:</b>	5%	0	95
	-5%	0	-86
<b>ARS:</b>	5%	144	296
	-5%	-130	-268

## DERIVATIVE FINANCIAL INSTRUMENTS

For 2021 and 2020 the Group didn't proceed with such contracts in order to cover currency risk.

### 2) Interest rate risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's activities are closely linked to interest rates because of investments and long and short-term borrowings. To manage this risk category, the Group uses financial hedging instruments in order to reduce its exposure to interest rate risk. The Group's policy on managing its exposure to interest rate risk affects not only the parent company but also its subsidiaries for their loans concluded in euros or local currency. The Group's exposure to the risk of changes in market interest rates relates primarily to long-term borrowings of the Group's floating rate. The Group also manages interest rate risk by having a balanced portfolio of loans with fixed and floating rate borrowings. On 31 December 2021, taking into account the impact of possible financial hedging products, almost all of the Group's borrowings are at a fixed rate (31/12/2020: 98,5%) with an average life of approximately 3,2 years. As a result, the impact of interest rate fluctuations in operating results and cash flows of the Group's operating activities is small.

### 3) High leverage risk

INTRALOT's ability to incur significant additional amounts of debt so as to finance its operations and expansion depends on capital market conditions that influence the levels of new debt issues interest rates and relevant costs. Furthermore, INTRALOT may be able to incur substantial additional debt in the future, however, under the Senior Notes terms will be able to incur additional debt so long as on an actual basis its consolidated fixed charge coverage ratio is at least 2,00 (31/12/2021: approximately

2,86), and will be able to incur additional senior debt as long as on a pro forma basis the ratio of total net debt to EBITDA (senior leverage ratio) is not more than 3,75 (31/12/2021: approximately 4,36). Furthermore, to the above, the Group can incur additional debt from specific baskets. In addition, according to Senior Notes terms (SSN & Supplemental Indenture), the Group, through its subsidiary Intralot Inc., will be able to obtain additional borrowing, provided that on an actual basis the ratio of total net debt to EBITDA (senior leverage ratio) is not more than 3,75 (31/12/2021: in compliance).

### CAPITAL MANAGEMENT

The Group aims through the management of capital to ensure that the Group can operate smoothly in the future, maximize the value of its shareholders, and maintain the appropriate capital structure in terms of costs of capital.

The Group monitors its capital adequacy on a Net Debt to EBITDA ratio basis. Net borrowings include borrowing and lease liabilities minus cash and cash equivalents.

GROUP	31/12/2021	31/12/2020
Long-term loans	578.805	468.695
Long-term lease liabilities	9.179	7.469
Short-term loans	13.678	272.032
Short-term lease liabilities	2.857	2.882
<b>Total Debt</b>	<b>604.519</b>	<b>751.078</b>
Cash and cash equivalents	-107.339	-99.984
<b>Net Debt</b>	<b>497.180</b>	<b>651.095</b>
Lending of discontinued operations	0	-63
Cash and cash equivalents	0	601
<b>Net Debt (adjusted)</b>	<b>497.180</b>	<b>651.633</b>
<b>EBITDA from continuing operations</b>	<b>110.440</b>	<b>66.191</b>
<b>Leverage</b>	<b>4,50</b>	<b>9,84</b>

Regarding capital structure, INTRALOT since January 2021 had already entered into a Lock-Up Agreement (the Lock-Up Agreement) with an ad hoc group of noteholders, holding in excess of 75% of outstanding principal amount of the €250m Senior Unsecured Notes due 2021 (2021 Notes). The Lock-Up Agreement provided either for the consensual exchange of 2021 Notes with new notes of a total principal amount of €205m, due 2025, to be issued by the Group subsidiary Intralot Inc., if noteholders holding at least 90% in outstanding principal amount of the 2021 Notes would sign or accede to the Lock-Up Agreement, or the recourse to an English law scheme of arrangement, with the consent of the Ad Hoc Group. Following the Expiration Time (early February 2021) set in the Lock-Up Agreement, Noteholders holding 82,76% of the outstanding principal amount of the 2021 Notes.

On June 28<sup>th</sup>, 2021, INTRALOT and the Majority Participating Noteholders (as defined in the Lock-Up Agreement) entered into an agreement to amend and update certain terms of the Lock-Up Agreement, including confirmation that the Company intends to implement the 2021 Notes Exchange by way of a consensual debt exchange, changes to the representation and warranties provided by the Company, and updates with respect to certain commercial arrangements between the Group and Intralot, Inc. and its subsidiaries (the "Intralot, Inc. Group"). According to the above amendments, the New SSNs will be issued in an aggregate principal amount of up to USD 244,6 million and will bear a cash interest rate of 7,09% in year one and two of issuance, 8,19% in year three of issuance, and 8,87% thereafter. The Group will also be provided with the option to capitalize interest at a payment-in-kind interest rate, in lieu of paying cash interest, of 9,98% for the first three years and 10,27% thereafter. The Lock-Up Agreement contemplated that following the completion of the transaction, the Intralot, Inc. Group will operate, to the extent possible, as standalone entities. The Group and the Intralot, Inc. Group are party



to an agreement that the business of supplying online gaming systems, retailer communication networks and point of sale equipment such as terminals and vending machines, and other technology and support services, to the lottery industry and in relation to sports betting activities will be carried out solely by the Intralot, Inc. Group in the territories of United States of America and its territories and possessions, Mexico, Canada and the Philippines. The Intralot, Inc. Group historically has engaged, and intends to continue to engage, in significant transactions with the Group relating to, among other things, man power support, administrative services, leasing, intellectual property and licensing costs. The Intralot, Inc. Group and the Group have entered into certain long term intellectual property licensing, services, technology, management and similar contracts or arrangements pursuant to which the Intralot, Inc. Group will have key assets supporting its lottery and sports betting businesses, enabling the Intralot, Inc. Group to achieve its strategic objectives. The pricing for certain of the intellectual property licensing agreements is based on a percentage of revenue derived from the use of the relevant intellectual property, subject in certain instances to agreed thresholds. In the period between the year ended December 31, 2020 and the year ending December 31, 2024, the Group estimates that these contracts could result in net cash payments of approximately €16,0 million from the Intralot, Inc. Group to the Group with approximately €2,0 million and €8,0 million of payments for the year ended December 31, 2020 and the projected year ending December 31, 2021, respectively, on a pro forma basis after giving effect to the transactions, excluding licenses costs and services from new projects not currently contracted.

In parallel, on June 28<sup>th</sup>, 2021, with the consent of holders of 2021 SUNs representing at least a majority of the 2021 SUNs outstanding, Intralot Capital Luxembourg S.A. (the "Lux Issuer") entered into a supplemental indenture to amend certain terms of the 2021 SUNs, including changing the minimum denominations and integral multiple of the 2021 SUNs, amending the optional redemption notice period, removing the covenant under "Payment for Consents" and making certain other amendments. In parallel, on June 28<sup>th</sup>, 2021, the Lux Issuer and the Company, among others, entered into a loan facility agreement (the "Redemption Facility") with certain members of the Ad-Hoc Group (the "Redemption Facility Providers"), under which an amount of €147,6 million is committed to be made available by the Redemption Facility Providers to the Lux Issuer to redeem an equivalent amount (net of any fees, a portion of which fees, subject to the completion of the transactions, will be used by the Redemption Facility Providers to purchase New SSNs) of 2021 SUNs pursuant to the applicable optional redemption provisions of the 2021 SUNs, i.e redemption pro rata at par. Pursuant to a private placement purchase agreement, dated 28/6/2021 (the "Additional 2021 SUNs Purchase Agreement"), the Lux Issuer will issue an equivalent amount of additional 2021 SUNs to the Redemption Facility Providers in exchange for the cancellation of the Redemption Facility.

On June 30<sup>th</sup>, 2021, the Issuer utilized the Redemption Facility of €147.607.487 provided by certain members of the Ad Hoc Group (the "Redemption Facility Providers") and redeemed the same amount of 2021 SUNs at 100% of the principal amount pro rata plus accrued interest. Following redemption, the Issuer issued additional notes under the 2021 SUNs indenture of an amount of €147.607.487 to repay and cancel the Redemption Facility. After the issuance of the additional notes to the Redemption Facility Providers the outstanding 2021 SUNs are again €250.000.000. Following the redemption and issuance of additional notes, holders of more than 90% of the 2021 SUNs outstanding as of the date 1/7/2021 had agreed to tender their 2021 Notes pursuant to the Lock-up Agreement.

On July 1<sup>st</sup>, 2021, the Group announced two interdependent exchange offers:

1. The commencement of an offer by US subsidiary Intralot Inc. to acquire any and all of the outstanding €250.000.000 6,75% 2021 SUNs issued by Intralot Capital Luxembourg in exchange for up to USD 244.585.500 in aggregate principal amount of its New SSNs. In conjunction with the exchange offer Intralot Capital Luxembourg is soliciting consents for holders of the 2021 SUNs to amend certain provisions of the 2021 SUNs as set forth in the exchange offer and consent solicitation memorandum dated July 1, 2021. Minimum acceptance condition was 90% of Notes outstanding and exchange ratio set at 82%.

2. The commencement of an offer by Intralot Global Holdings B.V. to holders of the outstanding €500.000.000 5,25% Senior Unsecured Notes due September 2024 (the 2024 SUNs) to exchange the 2024 SUNs for ordinary shares of Intralot US Securities B.V. ("TopCo"), with minimum acceptance condition €68.176.000 and maximum acceptance amount €169.100.000.

On August 3<sup>rd</sup>, 2021, New Notes with a nominal value of \$242.111.911 due September 2025 were issued by US based Intralot, Inc., in exchange for existing Notes maturing in September 2021 with nominal value of €247.471.724,07 (corresponding to an 18% discount), which were then cancelled. So, the final participation in the exchange for existing Notes maturing in September 2021 came up to percentage of 98,99%. In parallel, 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 2024 Notes with a nominal value of €118.240.000 who participated in the exchange. Following the above procedure, these Notes came to the possession of Intralot Global Holdings B.V. Intralot retains control of 65,73% of Intralot, Inc. and the management of the company.

Following the finalization of the above two agreements, INTRALOT achieved its two goals related to its capital structure, to refinance the Notes due September 2021 and to reduce by €163 millions its total debt liabilities of nominal value. The new capital structure significantly improves the position of the Group, and its capabilities to take advantage of new opportunities in the developed markets, based on its strategic planning. The entry of significant institutional investors into the share capital of the parent of Intralot, Inc., also expands the company's capabilities in a competitive and very promising market of North America.

The effect of the above agreements on the results of the Group is presented in detail in notes [2.7](#) and [2.10](#), while the reorganization costs related to the above agreements are disclosed separately in the Group's Statement of Comprehensive Income. The effect of the above agreements on the Group's Equity is reflected separately in "Effect due to change in participation" of the Statement of Changes in Group's Equity.

### **Environmental Sustainability**

INTRALOT embodies environmental sustainability by identifying best practices and perform green initiatives that align with its' values, in order to reduce its' environmental footprint. Paper and energy consumption are the largest environmental impacts identified. INTRALOT is committed to reducing the amount of waste and improve its' recycling rates. Additionally, it reduces the use of physical resources such as paper and ink by reducing printing within the offices. INTRALOT is measuring its environmental impact in order to operate in a more sustainable way in the future.



### Risk of coronavirus pandemic (COVID-19)

The COVID-19 pandemic continues to affect economic and business activity around the world. The extent of its impact will depend on its duration, government policy in key jurisdictions regarding restrictions implemented and the current and subsequent economic disruption that the pandemic will cause.

Regarding the activities of the Group, the Management closely monitors the developments from the outbreak, follows the guidance of the local health authorities and observes the requirements and actions implemented by all local governments. The Group has implemented emergency plans to reduce the potential adverse effects on the Group's employees and businesses. Further details regarding the restrictions on Group operations from both COVID-19 and local governments actions, as well as the potential financial impacts on the performance of the year 2021, are presented in the section "Coronavirus (COVID-19) Pandemic Impact" of the Board of the Directors Report, and in the note [2.37](#) "CORONOVIRUS PANDEMIC (COVID-19) IMPACT".

### 2.34 APPLICATION OF IAS 29 "FINANCIAL REPORTING IN HYPERINFLATIONARY ECONOMIES"

The Group operates in Argentina through its two subsidiaries Tecno Accion SA and Tecno Accion Salta SA. Since the third quarter of 2018, the cumulative 3-year inflation index in Argentina has exceeded 100% and the country is now considered as a hyperinflationary economy for accounting purposes under IAS 29. The Group applied, for the first time in the nine months of 2018, IAS 29 and restated to current purchasing power in the financial statements (transactions and non-cash balances) of the above subsidiaries that use ARS as functional currency and present their financial statements at historical cost. The restatement was made using the (IPIM) Internal Index Wholesale Prices and applied pursuant to IAS 29, as if Argentina has always been a hyperinflationary economy.

The result (after the relevant consolidation eliminations) from the restatement of the non-cash assets, liabilities and transactions of 2021 following the application of IAS 29 amounted to a profit of €595 thousand and was recorded in the Income Statement (line "Gain/(loss) on net monetary position").

The conversion FX rates of the financial statements of the above subsidiaries were:

#### Statement of Financial Position:

	31/12/2021	31/12/2020	Change
EUR / ARS	116,94	102,85	13,7%

#### Income statement:

	AVG 1/1-31/12/2021	AVG 1/1-31/12/2020	Change
EUR / ARS <sup>1</sup>	116,94	102,85	13,7%

<sup>1</sup> The Income Statement of the twelve month period of 2021 and 2020 of the Group's subsidiaries operating in Argentina was converted at the closing rate of 31/12/2021 and 31/12/2020 instead of the Avg. 1/1-31/12/2021 and Avg.1/1-31/12/2020 pursuant to IAS 21, paragraph 42a, for hyperinflationary economies.

### 2.35 COMPARABLES

In the presented data of the previous years except for those mentioned in note [2.26](#), there were limited adjustments/reclassifications for comparability purposes, with no significant impact on "Equity", "Sale Proceeds" and "Profit / (loss) after tax" of the Group and the Company.

## 2.36 SIGNIFICANT FLUCTUATIONS, RECLASSIFICATIONS & REVERSALS

### Income Statement

Below are the most significant fluctuations in the Group's Income Statement for the period 1/1-31/12/2021 compared to 1/1-31/12/2020:

#### **Sale proceeds**

Sale proceeds increased by €69,1 million, or by 20,0%, from €344,9 million in the period 1/1-31/12/2020 to €414,0 million in the period 1/1-31/12/2021. This increase was mainly driven by the increased revenue of all operating segments of the Group. Particularly, Sale proceeds increased by €19,9 million in USA (mainly due to the strong growth of Lottery activities, which were further boosted by a significant jackpot in January 2021 and the higher merchandise sales in the current period, as well as the launch of Sports Betting contracts in Montana and Washington, D.C. at the end of 2020, despite the effect from the adverse USD movement), by €17,8 million in Malta (mainly due to the COVID-19 impact in the 1H20), by €20,7 in Argentina (mainly due to COVID-19 impact in 1H20), by €6,6 million in Turkey (due to Bilyoner's improved performance that was supported by the continued growth of the online market), by €3,9 million in Morocco (mainly due to COVID-19 impact in 1H20), and by €4,5 million in Australia (mainly due to COVID-19 impact in 1H20).

#### **Gross Profit**

Gross profit increased by €46,2 million, or by 63,1%, from €73,2 million in the period 1/1-31/12/2020 to €119,4 million in the period 1/1-31/12/2021. This increase is mainly driven from the increase in Sale proceeds as analyzed above.

#### **Other Operating Income**

Other operating income increased by €4,1 million, or 23,4%, from €17,5 million in the period 1/1-31/12/2020 to €21,6 million in the period 1/1-31/12/2021. This increase is mainly due to higher income equipment lease income in USA.

#### **Selling Expenses**

Selling expenses decreased by €0,7 million, from €23,3 million in the period 1/1-31/12/2020 to €22,6 million in the period 1/1-31/12/2021, despite the increase of Sale proceeds by 69,1%.

#### **Administrative Expenses**

Administrative expenses increased by €9,4 million, or 14,6%, from €64,2 million in the period 1/1-31/12/2020 to €73,6 million in the period 1/1-31/12/2021. This increase is mainly due to increased costs in the US, Australia and Turkey, which are partially offset by cost reductions in Greece.

#### **Reorganization Expenses**

Reorganization expenses of €17,2 million in the period 1/1-31/12/2021 and €6,8 million in the period 1/1-31/12/2020, refer to advisors' fees regarding the 2021 and 2024 Bonds restructuring.

#### **Other operating expenses**

Other operating expenses increased by €1,9 million, from €2,0 million in the period 1/1-31/12/2020 to €3,9 million in the period 1/1-31/12/2021. This increase was mainly due to the higher provisions for contractual fines-penalties, and doubtful provisions of receivables in 2021.



### **EBITDA**

EBITDA increased by €44,2 million, or by 66,8%, from €66,2 million in the period 1/1-31/12/2020 to €110,4 million in the period 1/1-31/12/2021. This increase is mainly driven by the increase in Gross Profit and Other operating income as analyzed above.

EBITDA for the period 1/1-31/12/2021 on a constant currency basis, net of negative FX impact of €7,8 million, amounted to €120,4 million for the period 1/1-31/12/2021, meaning an increase by 82,8% compared to the period 1/1-31/12/2020.

### **Income/(expenses) from participations and investments**

Income/(expenses) from participations and investments came up to net income of €45,1 million in the period 1/1-31/12/2021 from net expense of €3,9 million in the period 1/1-31/12/2020. This improvement is mainly due to the exchange of 34,27% of the share capital of Intralot US Securities B.V. (indirectly parent company of Intralot, Inc.) to holders of existing bonds maturing in 2024 and to increased dividend income in 2021, as well as higher impairment losses on participations and investments in 2020.

### **Gain / (losses) from assets disposal, impairment loss and write-off of assets**

Gain / (loss) from assets disposal, impairment loss & write off of assets came up to net loss of €16,3 million in the period 1/1-31/12/2021 from net loss of €21,0 million in the period 1/1-31/12/2020. This improvement was primarily due to higher provisions for assets impairment losses in 2020, mainly due to COVID-19 pandemic. Further analysis is provided in note [2.14](#) & [2.16](#).

### **Interest and Similar Expenses**

Interest and similar expenses increased by €11,0 million, or 22,1%, from €49,9 million in the period 1/1-31/12/2020 to €60,9 million in the period 1/1-31/12/2021. This increase is mainly due to the costs associated with loan restructuring.

### **Interest and Related Income**

Interest and related income increased by €45,9 million from €1,5 million in the period 1/1-31/12/2020 to €47,4 million in the period 1/1-31/12/2021. This increase is mainly due to the costs associated with loan restructuring ended September 2021.

### **Exchange Differences**

The account "Exchange Differences" in the period 1/1-31/12/2021 refers to losses of €1,2 million, comparing with losses of approximately €8,7 million in the period 1/1-31/12/2020. This improvement is primarily due to the valuation of trade and debt liabilities (intercompany and non) in EUR that various subsidiaries abroad had as at 31/12/2021, with a different functional currency than the Group's.

### **Profit / (loss) from equity method consolidations**

Consolidation of associates and joint ventures through the equity method contributed profit of €0,2 million in the period 1/1-31/12/2021 compared to the losses of €1,5 million in the period 1/1-31/12/2020, mainly deriving by the Group's associates in Asia.

### **Taxes**

Taxes in the period 1/1-31/12/2021 amounted to €4,4 million, versus €7,3 million in the period 1/1-31/12/2020. This increase was primarily due to the positive effect of deferred taxation in 2021.

Further analysis for the accounts Group Income Statement for the period 1/1-31/12/2021 compared to 1/1-31/12/2020 is provided in the ANNUAL Group Management report ("INTRALOT Group MANAGEMENT'S DISCUSSION & ANALYSIS") that has been posted in the website [www.intralot.com](http://www.intralot.com).

#### **Statement of Financial Position**

No significant reclassifications were made to the Group's statement of financial position as of 31/12/2021 compared to the 31/12/2020.

### **2.37 MACROECONOMIC ENVIRONMENT**

#### **INFORMATION ON THE CORONAVIRUS PANDEMIC (COVID-19) IMPACT**

Despite the serious challenges and uncertainty surrounding COVID-19, 2021 closed with a positive sign, as most countries have begun to loosen restriction measures, signaling that a return to normalcy can recur gradually.

During this apparent crisis for the second year in a row, our priority was to ensure the health and safety of our team by using all available government measures and all available technological applications for distance work. We are very proud of the way our employees responded and handled all business operations without any discount on the quality of services provided to our customers.

Although gambling businesses face challenges related to COVID-19, according to the H2 Gambling Capital - Global Summary January 22, the total global GGR for 2021 increased by 10,81% compared to a year ago.

Based on the current performance of our operations and the actions taken by most of our subsidiaries, the EBITDA impact of the 2021 pandemic is estimated at around €3 million. The extent to which our business will be affected by COVID-19 in the coming quarters will largely depend on future pandemic developments.

#### **ECONOMIC CONDITIONS**

The energy crisis of 2021 fueled by the war in Ukraine, shapes a new uncharted era for the global economic outlook. In addition to the deep economic impact of the COVID-19 pandemic, supply chain disruptions, inflationary pressures and geopolitical tension around the world are expected to play a pivotal role on the global business landscape.

Our Group is engaged in the provision of gaming technology related services in Americas, Oceania, Turkey, and Western Europe and has no exposure to any direct risks in terms of operations or dependency from suppliers in Ukraine and Russia. The nature of our worldwide operations, labor-intensive driven, is not affected by the volatility of commodity prices including energy. The Management of the Company monitors the geopolitical and economic developments on a constant basis and is ready to take all the necessary measures for protecting its operations.

### **2.38 SUBSEQUENT EVENTS**

On March 3, 2022 «INTRALOT SA – INTEGRATED LOTTERY SYSTEMS AND SERVICES» (distinctive title «INTRALOT») informs the investors, according to L.3556/2007 and article 19 of the Regulation (EU) No 596/2014, that the legal entity ALPHACHOICE SERVICES LTD which is affiliated with and controlled by Mr. Sokratis P. Kokkalis, Chairman of the Board of Directors and CEO of INTRALOT, on March 1, 2022 acquired 7.323.920 Company's common registered shares, with voting rights, for a total value of 3.442.242,40 Euro.



The Société Anonyme company «INTRALOT SA – INTEGRATED LOTTERY SYSTEMS AND SERVICES» (distinctive title «INTRALOT») in compliance with L. 3556/2007, as in force, and further to the notifications of the company “ALPHACHOICE SERVICES LIMITED”, of Mr.Sokratis P. Kokkalis and of the company “K-SYSTEMS” dated 03/03/2022 in relation to the voting rights of these entities on the shares of the Issuer Company, notifies the following:

On March 1, 2022 «ALPHACHOICE SERVICES LIMITED» which is 100% controlled by the Société Anonyme company «K-GENERAL INVESTMENTS AND SYSTEMS SINGLE MEMBER HOLDINGS SOCIÉTÉ ANONYME» (distinctive title “K-SYSTEMS”), sole shareholder of which is Mr. Sokratis P. Kokkalis, acquired 7.323.920 common registered shares, with voting rights, issued by «INTRALOT SA – INTEGRATED LOTTERY SYSTEMS AND SERVICES» (distinctive title «INTRALOT»).

Following that, on March 1, 2022:

- The percentage of the direct voting rights of the company “ALPHACHOICE SERVICES LIMITED” on INTRALOT’s shares amounts to 25.695% of the total voting rights of the Issuer (i.e. 39,123,920 voting rights) against a previous percentage 20,885% of the total voting rights of the Issuer (i.e. 31.800.000 voting rights), following the acquisition of 7,323,920 INTRALOT’s common registered shares with voting rights

- The percentage of the indirect voting rights of Mr. Sokratis P. Kokkalis on INTRALOT’s shares amounts to 25.695% of the total voting rights of the Issuer (i.e. 39,123,920 indirect voting rights) against a previous percentage 20,885% of the total voting rights of the Issuer (i.e. 31,800,000 indirect voting rights), through the following controlled companies:

- o «K-GENERAL INVESTMENTS AND SYSTEMS SINGLE MEMBER HOLDINGS SOCIÉTÉ ANONYME» (distinctive title “K-SYSTEMS”), a company 100% controlled by Mr. Sokratis P. Kokkalis
- o «ALPHACHOICE SERVICES LIMITED», a company 100% controlled by «K-GENERAL INVESTMENTS AND SYSTEMS SINGLE MEMBER HOLDINGS SOCIÉTÉ ANONYME» (distinctive title “K-SYSTEMS”)

As of March 17, 2022 INTRALOT announces the extension of its current contract of INTRALOT Maroc, a subsidiary of the INTRALOT Group acting as games operator in Morocco, with La Marocaine Des Jeux et des Sports (MDJS), a state lottery offering sports betting and other games of chance in Morocco, for one additional year; the contract is now due to expire on 31.12.2023.

On April 5, 2022 INTRALOT announced the extension of its current contract, with Magnum Corporation Sdn Bhd, a gaming operator pioneer in Malaysia, for another two (2) years; the contract is now due to expire on 30.06.2024. The current agreement concerns the support of INTRALOT’s core operating system LOTOS™ O/S including the games software, the On-line Gaming System, and its new generation terminals Photon.

On April 6, 2022 INTRALOT announced that its U.S. subsidiary, INTRALOT, Inc., has signed a 5-year extension of its contract with the Wyoming Lottery Corporation. INTRALOT, Inc. will continue to provide its lottery operating system and services for the operation of the Wyoming Lottery through August of 2029.

**Peania, April 8, 2022**

**THE CHAIRMAN OF THE BOD AND  
GROUP CEO**

**THE DEPUTY CHIEF EXECUTIVE OFFICER  
AND MEMBER OF THE BOD**

**S.P. KOKKALIS  
ID. No. AI 091040**

**C.D. SFATOS  
ID. No. AH 641907**

**THE GROUP CFO**

**THE GROUP ACCOUNTING DIRECTOR**

**A. A. CHRYSOS  
ID No. AK 544280**

**N. G.PAVLAKIS  
ID.No. AZ 012557  
H.E.C. License  
No. 15230/ A' Class**









**intralot**

19<sup>th</sup> km. Markopoulou Ave., 19002 Peania, Attica, Greece

Tel.: +30 210 6156 000 | Fax: +30 210 6106 800 | E-mail: [info@intralot.com](mailto:info@intralot.com) | [www.intralot.com](http://www.intralot.com)