INTRALOT ADRIATIC d.o.o.
Zagreb
Annual financial statements
for 2024

Content

Report of the Management Board

The Management Board presents its annual report and the audited financial statements for the year ended 31 December 2024.

Principal activities

INTRALOT ADRIATIC d.o.o., Zagreb ("Company") is a limited liability company registered at the Commercial Court in Zadar on 13 February 2015, under the entity registration number (MBS) 080959933, PIN 59044324467. The Company's headquarters are in Zagreb, Miramarska cesta 24.

The sole owner of the Company is INTRALOT GLOBAL HOLDINGS B.V., the Netherlands.

The principal activity of the Company is providing of professional services in the design, construction and maintenance of hardware and software solutions in the field of platforms for organizing games of chance and lottery games for gaming organizations.

Management Board

The Members of the Management Board during the year were:

- Mr. Goran Jovičić, *Director* (appointed on 1 March 2022)
- Mr. Evripidis Tsivgiouras, *Director* (appointed on 1 May 2022)

Addresses

- Zagreb – Miramarska cesta 24, headquarters

Human resources

As at 31 December 2024, the Company had 25 employees. (2023: 21 employees). In 2025, the Company is not planning any significant changes in the number of employees.

Business result for 2024

Summary of business results for last two years:

In Eur	**2024**	**2023**
Operating revenue	**15,739,970**	**15,414,163**
Total assets	**27,876,640**	**23,525,412**
Profit	**2,519,665**	**2,481,103**
Number of employees	25	21

The Company had successful business outcomes in 2023 and 2024. In 2024, there was a 2% rise in business income, mostly as a result of higher sales revenue from services.

Report of the Management Board (continued)

Development plan

The Company has a long-term business service agreement, according to which it provides its partner with the services of designing, building and maintaining hardware and software solutions in the field of platforms for organizing games of chance for lottery and gaming organizations.

Exposure to risk and risk management

The Company monitors its exposure to various risks - primarily currency, credit and liquidity risk, and seeks to reduce their negative impact on the Company's financial position. For active protection against financial risk exposure, the Company does not use derivative financial instruments.

- *Currency risk*

The company operates on an international level and is exposed to currency risk arising from various currencies. With the entry of the Republic of Croatia into the Eurozone, currency risk has been significantly reduced.

- *Credit risk*

The company is exposed to credit risk, which mainly arises from receivables from customers. Credit risk is tried to be reduced by controlling the collection and delivery of goods and by obtaining payment security instruments (e.g. promissory notes). At the end of the business year, the Company assesses whether there is objective evidence of a decrease in the value of individual claims, such as significant financial difficulties of the debtor, non-compliance with contracts, i.e. non-settlement of obligations or late payments, possible initiation of bankruptcy proceedings or other financial reorganization proceedings.

- *Liquidity risk*

The company manages liquidity risk by maintaining adequate reserves, bank funds and loaned funds reserves, continuously monitoring projected and actual cash flows, and comparing maturity dates of financial assets and liabilities.

Research and Development activities

During 2024, the Company or the Group did not capitalise any own development costs.

Information on purchase of own shares

As at 31 December 2024, the Company does not have its own shares.

Subsidiaries

As at 31 December 2024, the Company does not have any subsidiaries.

On 11 March 2025, signed by:

INTRALOT Adriatic d.o.o. Zagreb

Mr. Goran Jovičić *Director*	Mr. Evripidis Tsivgiouras. *Director*

Responsibility of the Management Board for the financial statements

Pursuant to the Croatian Accounting Law, the Management Board is responsible for ensuring that the unconsolidated financial statements for each financial year are prepared in accordance with the Croatian Financial Reporting Standards and give a true and fair view of the financial position and results of the Company for that period.

The Management Board reasonably expects that the Company has adequate resources to continue its operations in the foreseeable future. For this reason, the Management Board continues to accept the going concern principle in preparing the unconsolidated financial statements.

The responsibilities of the Management Board in preparing the unconsolidated financial statements include:

- selection and consistent appliance of suitable accounting policies;
- reasonable and prudent judgments and estimates;
- following of applicable accounting standards; and
- preparation of unconsolidated financial statements on the going concern principle, unless it is inappropriate to presume that the Company will continue with its business activities.

The Management Board is responsible for keeping suitable accounting records, which will at any time, with reasonable accuracy, present financial position of the Company, as well its compliance with the Croatian Accounting Act. The Management Board is also responsible for safeguarding the assets of the Company and for taking of reasonable actions for prevention and detection of fraud and other irregularities.

The Management Board of Intralot Adriatic d.o.o., with headquarters at Miramarska 24, Zagreb, approved annual financial statements for publication on 11 March 2025.

Signed by:

INTRALOT Adriatic d.o.o.
Zagreb

Mr. Goran Jovičić
Director

Mr. Evripidis Tsivgiouras.
Director

Independent Auditors’ Report to the owner of Intralot Adriatic d.o.o.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Intralot Adriatic d.o.o. (“the Company”), which comprise the statement of financial position of the Company as at 31 December 2024, and the statements of comprehensive income, cash flows and changes in equity of the Company for the year then ended, and notes, comprising significant accounting policies and other explanatory information (further referred to as “the financial statements”).

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2024 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (“EU IFRS”).

Basis for Opinion

We conducted our audit in accordance with Accounting Act, Law on Auditing and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company within the meaning of International Ethics Standards Board for Accountants Code of Ethics and have fulfilled our other responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matters

Management is responsible for other information. Other information includes the Management Report included in the Annual Report but does not include unconsolidated Financial statements and our Auditor's report about them. Our opinion on unconsolidated Financial statements does not include other information.

In relation to our audit of the unconsolidated Financial statements, it is our responsibility to read the other information and, in carrying out this, consider whether the other information is significantly contradictory to unconsolidated Financial statements or our knowledge gained in the audit or otherwise appears to be materially misrepresented.

In accordance to the Management Report, we have also performed the procedures prescribed by the Accounting Act. Those procedures shall include verifying that the Management Report has been compiled in accordance with Article 21 of the Accounting Act.

Based on the procedures performed, to the extent that we are able to assess this, we report that:

1. the information in the attached Management Report is aligned, in all significant determinants, with the attached unconsolidated Financial Statements; and
2. the Management Report is compiled in accordance with Article 21 of the Accounting Act.

Based on the knowledge and understanding of the Company's business and its environment acquired as part of the audit of the unconsolidated Financial Statements, we are obliged to report if we have found that there are significant misstatements in the attached Management Report. In this sense, we have nothing to report.

Independent Auditors' Report to the owner of Intralot Adriatic d.o.o. (continued)

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these Financial Statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Financial Statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

When preparing Financial Statements, management is responsible for appropriate assessment regarding going concern presumption. Also, management is responsible for reporting, if applicable, issues relating going concern assumption as well as accounting principle considered when making assessment, unless management has either the intention, or the need, to liquidate or curtail materially the scale of its operations. Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility

The objectives of our audit are to obtain reasonable assurance about whether the 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 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 Financial Statements

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the planning and performance of the audit. We also:

- Identify and assess the risks of material misstatement of the 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Identify the appropriateness of the use of the going concern assumption in the preparation of the Financial Statements by management and based on gathered sufficient audit evidence through carrying out audit procedures, to confirm or dispel whether or not a material uncertainty exists relating entity's ability to continue as a going concern. If material uncertainty exists, auditor has to make disclosure of the fact in the auditor reporting referring to Financial Statements or, if mentioned not applicable, must express a modified opinion. Our conclusions are based on gathered audit evidence to the date of Independent Auditor's report. However, future events or circumstances can cause material uncertainty about the entity's ability to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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Independent Auditors' Report to the owner of Intralot Adriatic d.o.o. (continued)

Auditors' Responsibility (continued)

We are required to 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.

Crowe Revizija d.o.o., Zagreb
Grand Centar,
Hektorovićeva 2
10 000 Zagreb, Croatia

11 March 2025.

Crowe Revizija d.o.o.
Zagreb

Branimir Antolić

Sonja Hecker Tafra
Director, Croatian certified auditor, FCCA

Branimir Antolić
Croatian certified auditor

Statement of financial position
as at 31 December 2024

In EUR	Notes	31 December 2024	31 December 2023
Assets			
Intangible assets	5	8,840,113	8,601,945
Property plant and equipment	6	3,221,053	3,682,196
Right-of-use assets	7	81,259	33,555
Given deposits	8	10,331	10,331
Non-current assets		**12,152,756**	**12,328,027**
Inventory	9	44,846	39,669
Trade and other receivables	10	15,244,377	10,234,548
Prepayments and prepaid expenses	11	229,682	309,906
Cash and cash equivalents	12	204,979	613,262
Current assets		**15,723,884**	**11,197,385**
TOTAL ASSETS		**27,876,640**	**23,525,412**
Equity and liabilities			
Share Capital	13	26,570	26,570
Reserves	13	636	636
Retained Earnings	13	7,250,198	4,730,533
Equity		**7,277,404**	**4,757,739**
Non-current loans and borrowings	14	-	607,728
Non-current lease liability	15	21,474	19,735
Non-current liabilities		**21,474**	**627,463**
Trade and other payables	16	19,704,098	17,800,269
Income Tax Payable		107,481	289,181
Current loans and borrowings	14	703,827	35,495
Current lease liability	15	62,356	15,265
Current liabilities		**20,577,762**	**18,140,210**
TOTAL EQUITY AND LIABILITIES		**27,876,640**	**23,525,412**

Statement of comprehensive income
for the year ended at 31 December 2024

In EUR	Notes	**2024.**	**2023.**
Revenue from sales	17	15,708,091	15,277,901
Other operating income	18	31,879	136,262
Total operating revenue		**15,739,970**	**15,414,163**
Cost of direct services	19	(8,709,795)	(8,208,365)
Selling and distribution expenses		(38,436)	(39,445)
Staff costs	20	(979,373)	(837,992)
Depreciation and amortization	5,6,7	(1,710,831)	(1,608,297)
Administrative expenses	21	(547,835)	(328,651)
Other operating expenses	22	(566,130)	(924,671)
Total operating expenses		**(12,552,400)**	**(11,947,421)**
Operating profit		**3,187,570**	**3,466,742**
Finance net	23	(107,377)	(435,829)
Net currency exchange	24	(189)	(564)
Profit before tax		**3,080,004**	**3,030,349**
Income tax	25	(560,339)	(549,246)
Profit for the year		**2,519,665**	**2,481,103**
Other comprehensive income for the year		-	-
Total comprehensive income		**2,519,665**	**2,481,103**

On 11 March 2025, signed by:

INTRALOT Adriatic d.o.o.
Zagreb

Mr. Goran Jovičić
Director

Mr. Evripidis Tsivgiouras.
Director

Statement of changes in shareholders' equity

for the year ended at 31 December 2024

In EUR	Share capital	Reserves	Retained earnings	Total
As at 1 January 2023	26,571	635	2,249,430	2,276,636
Share capital adjustment	(1)	1	-	-
Profit for the year	-	-	2,481,103	2,481,103
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	*2,481,103*	*2,481,103*
As at 31 December 2023	**26,570**	**636**	**4,730,533**	**4,757,739**
Profit for the year	-	-	2,519,665	2,519,665
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	*2,519,665*	*2,519,665*
As at 31 December 2024	**26,570**	**636**	**7,250,198**	**7,277,404**

Statement of cash flows
for the year ended at 31 December 2024

In EUR	Notes	**2024.**	**2023.**
Cash flow from operating activities			
Profit before tax		3,080,004	3,030,349
Depreciation and Amortization	5,6,7	1,710,831	1,608,297
Loss from disposal of property, plant and equipment		(705)	(3,921)
Interest income	23	(7)	(11)
Interest expense	23	107,384	435,840
Unrealised exchange (gain) / loss		1,226	23
Cash flow from operating activities before Working capital changes		**4,898,733**	**5,070,577**
Working capital changes			
Increase/(decrease) in trade and other payables		1,903,829	4,214,716
Decrease/(increase) in trade and other receivables		(4,929,605)	(3,709,796)
Decrease/(increase) in inventory		(5,177)	3,039
Cash generated from operating activities		**1,867,780**	**5,578,536**
Interest paid		(42,189)	(435,839)
Income tax paid		(742,039)	(582,423)
Net cash from operating activities		**1,083,552**	**4,560,274**
Cash flow from investing activities			
Interest received		7	11
Purchases of tangible and intangible assets		(1,579,831)	(1,024,313)
Cash received from sale of long-term assets		44,975	64,246
Other net proceeds from investing activities		-	-
Net cash from investing activities		**(1,534,849)**	**(960,056)**
Cash flow from financing activities			
Proceeds from loans and borrowings		-	(5,302,458)
Increase of finance lease liabilities		109,245	-
Proceed / repayment of leasing liabilities		(66,231)	(63,708)
Net cash from financing activities		**43,014**	**(5,366,166)**
Unrealised exchange (gain) / loss on cash and cash equivalents		-	-
Net increase/(decrease) of cash and cash equivalents		**(408,283)**	**(1,765,948)**
Cash and cash equivalents at beginning of the year	12	**613,262**	**2,379,210**
Cash and cash equivalents at the end of the year	12	**204,979**	**613,262**

The notes to the financial statements are an integral part of these financial statements

Notes to the financial statements

1. General information

History

INTRALOT ADRIATIC d.o.o., Zagreb ("Company") is a limited liability company registered at the Commercial Court in Zadar on 13 February 2015, under the entity registration number (MBS) 080959933, PIN 59044324467. The Company's headquarters are in Zagreb, Miramarska cesta 24.

The sole owner of the Company is INTRALOT GLOBAL HOLDINGS B.V., the Netherlands.

Activities

The principal activity of the Company is providing of professional services in the design, construction and maintenance of hardware and software solutions in the field of platforms for organizing games of chance and lottery games for gaming organizations.

On 31 December 2024, the Company had 25 employees (2023: 21).

During 2024, the Company paid compensation to key management members in the gross amount of EUR 125 thousand (2023: EUR 134 thousand).

Members of the Management Board

- Mr. Goran Jovičić, *Director* (appointed on 1 March 2023)
- Mr. Evripidis Tsivgiouras, *Director* (appointed on 1 May 2023)

2. Statement of compliance

The financial statements have been prepared in accordance with the International Financial Reporting Standards adopted by the European Union ("IFRS"). According to the provisions of IFRS, financial statements consist of a statement of financial position, a statement of comprehensive income, a statement of cash flows, a statement of changes in equity and notes to the financial statements.

3. Basis of preparation of financial statements

The financial statements have been prepared in accordance with IFRS Standards adopted by the European Union ("IFRS").

Preparation of financial statements in accordance with the International Financial Reporting Standards adopted by the European Union (IFRS) requires the Management to make estimates and make assumptions that affect the stated amounts of assets and liabilities, as well as the disclosure of contingent assets and contingent liabilities on the date of the financial statements, as well as on reported income and expenses during the reporting period. The estimates are based on the information that was available at the date of the financial statements, and the actual amounts may differ from the estimates.

The financial statements of the Company represent the aggregate amounts of the Company's assets, liabilities, capital and reserves as of 31 December 2024, as well as the results of operations for the year then ended. The Company's financial statements are expressed in the currency of the primary economic environment in which the Company operates (functional currency).

Notes to the financial statements (continued)

3. Basis of preparation of financial statements (continued)

Items included in the Company's financial statements are stated in the currency of the primary economic environment in which the Company operates (functional currency), i.e. in euros.

Financial statements are prepared on the basis of historical cost.

The Management Board has, at the time of approving the financial statements, a reasonable expectation that the Company have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

3.1 Changes in accounting standards and disclosures

3.1.1 New standards and interpretations of published standards that are not yet in force

Numerous new standards, amendments to existing standards and interpretations have been issued by the International Accounting Standards Board and the International Financial Reporting Interpretations Committee but have not yet entered into force for the accounting period ending 31 December 2024. Most of these new standards, amendments to existing standards and interpretations are not expected to have a material impact on the Company's financial statements.

The standards adopted by the European Union do not differ materially from those adopted by the International Accounting Standards Board (IASB). The standards adopted by the European Union do not differ materially from those adopted by the International Accounting Standards Board (IASB).

The following is an overview of standards, interpretations, and amendments to published standards that have been issued by the IASB but have not yet been adopted by the European Union:

- **Amendments to IFRS 9 “Financial Instruments” and IFRS 7 “Financial Instruments: Disclosures”: Changes in the classification and measurement of financial instruments** (effective for annual periods beginning on or after 1 January 2026),
- **Amendments to IFRS 9 “Financial Instruments” and IFRS 7 “Financial Instruments: Disclosures”: Contracts relating to electricity dependent on natural conditions** (effective for annual periods beginning on or after 1 January 2026),
- **Annual Improvements to IFRS – Edition 11** (effective for annual periods beginning on or after 1 January 2026),
- **IFRS 18 “Presentation and Disclosures in Financial Statements”:** the standard replaces IFRS 1: Presentation of Financial Statements and introduces significant changes in the presentation of financial results, with a particular focus on the income statement. The objective of IFRS 18 is to improve the comparability and transparency of financial reporting between companies (effective for annual periods beginning on or after 1 January 2027).

The Company is currently assessing the impact of the new standards and amendments to existing standards on its financial statements. The Company expects that the adoption of the new accounting standards and amendments to existing standards will not have a significant impact on its financial statements in the period of their initial application.

Notes to the financial statements (continued)

3.1.2 Standards and interpretations with first adoption in the current period

In preparing these financial statements, the Company has adopted standards that are in first application for the period commencing on January 1, 2024:

- **Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants -** (applicable for annual periods beginning on or after 1 January 2024)
- **Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback -** (applicable for annual periods beginning on or after 1 January 2024)
- **Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements** (applicable for annual periods beginning on or after 1 January 2024

The Company has consistently applied its accounting policies to all periods presented in the financial statements. The adoption of the above amendments to existing standards did not result in significant changes to the financial statements.

4. Summary of significant information about accounting policies

The following is a presentation of significant information about the accounting policies adopted for the preparation of these financial statements. Significant accounting policies have been consistently applied to all periods presented in these financial statements.

4.1 Transactions and balances in foreign currency

In preparation of the financial statements, transactions in foreign currencies are translated into the functional currency using the foreign exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currency at the balance sheet are translated into the functional currency at the foreign exchange rate ruling at that date.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the Income statement.

Non-monetary assets and liabilities denominated in foreign currency at the balance sheet are translated into the functional currency at the foreign exchange rate ruling at that date.

Non-monetary items denominated in foreign currency at historical cost are valued using exchange rate at transaction date.

Notes to the financial statements (continued)

4. Summary of significant information about accounting policies (continued)

4.2 Intangible assets

Intangible assets include software and other rights.

Intangible assets are initially recognized at cost. Acquisition cost is the amount of cash or cash equivalents paid or the fair value of other consideration given to acquire an asset at the time of its acquisition or construction, or, if applicable, the amount attributable to that asset on initial recognition in accordance with the requirements other IFRS. The acquisition cost of long-term intangible assets at the time of purchase includes: purchase value after deduction of trade discounts and rebates, import duties, non-refundable acquisition taxes, and costs directly attributable to the preparation of these assets for their intended use.

After initial recognition, it is stated at acquisition cost less accumulated amortization and any accumulated impairment losses.

Intangible assets with finite useful lives are amortized over their useful lives using the straight-line method of amortization.

The useful life of assets is reviewed at least once at the end of each reporting period, and if expectations differ from previous estimates, changes are recognized as changes in accounting estimates.

The useful life of the use of intangible assets arising from contractual or other legal rights is not longer than the period of validity of the contractual or other legal rights but may be shorter depending on the period during which the entrepreneur expects to use the asset.

Subsequent expenditure on intangible assets is recognized as an expense when incurred unless it represents part of the acquisition cost.

Amortization is calculated using the straight-line method over the estimated useful life, as shown below.

Software and other intangible assets	up to 10 years

Gains or losses arising from the derecognition of long-term intangible assets are recognized in the statement of comprehensive income in the period when asset is disposed.

Notes to the financial statements (continued)

4. Summary of significant information about accounting policies (continued)

4.3 Property, plant and equipment

Property, plant and equipment include the following types of assets: land, buildings, plant and equipment, tools, operating inventory, furniture and means of transport and other long-term tangible assets.

Property, plant and equipment are initially measured at cost which includes purchase price, import duties and non-refundable taxes after deduction of trade discounts and rebates, all costs directly attributable to bringing the property to its location and in working order for its intended use, initially estimated costs of dismantling , removal of the asset and restoration of the place where the asset is located, for which the obligation for the entrepreneur arises when the asset is acquired or as a result of the use of the asset during the period for purposes other than the production of inventory during the period.

After initial recognition, the value of property, plant and equipment is stated at acquisition cost less accumulated depreciation and any accumulated impairment losses. The land is not depreciated.

On each reporting date, the Company checks whether it is necessary to carry out an asset impairment. Impairment is carried out if the book value of the asset exceeds the recoverable amount of that asset. The recoverable amount is the higher of the fair net sales value and the value in use.

Subsequent expenditures are recognized in the acquisition cost only if future economic benefits associated with the asset will flow to the Company and if the cost of the asset can be reliably measured.

Depreciation is calculated using the straight-line method over the estimated useful life.

The useful life is checked at least at the end of each financial year and adjusted if necessary. The mentioned changes represent a change in the accounting estimate.

Gains or losses arising from the derecognition of property, plant and equipment are recognized in the statement of comprehensive income in the period when asset is disposed as the difference between the amount received for the disposed asset, if any, and the carrying amount of the asset.

The average estimated useful life of each asset is as follows:

Computer and electronic equipment	2 to 10 years
Furniture and other equipment	4 years

The carrying value of the Company's assets is reviewed at each balance sheet date to determine whether there are indications of impairment. If there are such indications, the recoverable amount of the property is estimated.

Notes to the financial statements (continued)

4. Summary of significant information about accounting policies (continued)

4.4 Impairment of non-financial assets

At each balance sheet date, the Company reviews the carrying amounts of intangible assets and property, plant and equipment in order to determine whether there are indications that a loss has occurred due to a decrease in the value of such assets.

If such an indication exists, the recoverable amount of such assets is estimated to determine the amount of the impairment loss (if any). For assets that do not generate sufficient independent cash flows, the recoverable amount is estimated for the cash-flow generating unit to which the particular asset belongs. Where it is not possible to estimate the recoverable amount of each individual asset, the Company estimates the recoverable amount for the cash-flow generating unit to which that particular asset belongs.

In cases where a reasonable and consistent basis for allocation can be identified, business assets are also allocated to individual cash-generating units, otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent basis for allocation can be identified.

The recoverable amount is the higher of fair value less costs to sell or value in use. In a value in use assessment, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset for which no adjustments have been made to the value of the estimates of future cash flows.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be lower than the book value, the book value of that asset (cash-generating unit) is reduced to the recoverable amount.

An impairment loss is recognized in the statement of comprehensive income at the time of occurrence.

In cases where the impairment loss is subsequently reversed, the book value of the asset (cash-generating unit) is increased up to the changed amount of its recoverable amount, but in such a way that the increased book value does not exceed the book value that would have been determined if there had been no impairment loss for that asset (cash generating unit) in previous years.

Reversal of an asset impairment loss is recognized in the statement of comprehensive income at the time of occurrence.

Notes to the financial statements (continued)

4. Summary of significant information about accounting policies (continued)

4.5 Leases

The treatment of leases when the Company is the lessee is as follows:

When concluding a contract, the Company assesses whether the contract is or contains a lease. The contract is, or contains, a lease if the contract transfers the right to manage the property in question for a certain period in exchange for compensation. In order to assess whether the contract contains the transfer of management rights over the subject property, the Company uses the definitions of leases from IFRS 16.

When entering into or amending contracts containing lease components, the Company allocates contract fees to each lease component based on its relative stand-alone price.

The Company recognizes right-of-use assets and lease obligations on the lease commencement dates. Right-of-use assets are initially measured at cost, which consists of the initial measurement amount of the lease liability adjusted for all lease payments made on or before the lease commencement date, increased by all direct initial costs incurred and the estimated costs of dismantling and removing the asset in question or renovation of the location where the property is located or restoration of the property in question to the condition required by the terms of the lease, less any lease approvals received.

Right-of-use assets are subsequently depreciated using the straight-line method from the lease inception date to lease expiration, unless ownership of the subject asset is transferred to the lessee before the lease expires or the cost of the right-of-use asset reflects that the lessee will exercise the purchase option. In this case, the right-of-use asset will be depreciated from the beginning of the lease to the end of its useful life, determined on the same basis as for similar real estate or equipment. In addition, right-of-use assets are regularly reduced in value for any impairment losses, if any, or adjusted due to certain subsequent measurements of lease obligations.

The lease liability is initially measured at the present value of the lease payments that have not been paid by that date, discounted using the interest rate derived from the lease or, if that rate cannot be directly determined, the Company's incremental borrowing interest rate. Generally, the Company uses its incremental borrowing rate as a discount rate.

The Company determines its incremental borrowing rate using the interest rate from various external financing sources and makes certain adjustments that reflect the terms of the lease and the type of leased property.

Lease payments included in the measurement of the lease liability include the following:

- fixed payments, including payments that are essentially fixed;
- variable rent payments that depend on an index or rate, which are initially measured by applying the index or rate valid on the lease commencement date;
- amounts of expected payments based on the guarantee for the remaining value; and
- expected exercise prices for purchase options that the Company has a reasonable belief that it will exercise, lease payments for optional term extensions if the Company has a reasonable belief that it will exercise the extension, and early termination penalties unless the Company has a reasonable belief that it will not terminate the lease early.

Notes to the financial statements (continued)

4. Summary of significant information about accounting policies (continued)

4.5 Leases (continued)

The lease liability is measured at amortized cost using the effective rate method. It is re-measured when there are changes in future lease payments due to index or rate changes, if there is a change in the estimate of the expected payment amount based on the residual value guarantee, if the Company changes its estimates of whether to exercise the option to purchase, extend or terminate, or if there are changes in rental payments that are essentially fixed.

When the lease liability is remeasured in the above manner, corresponding changes are also made to the book value of the right-of-use property or are recorded in the income statement if the book value of the right-of-use property is reduced to zero.

The company uses the proposed exemption of the IFRS 16 standard for so-called contracts. low value, whereby contracts of low value (IT equipment: portable computers and printers), and the relevant exemption for the so-called short-term rentals (e.g. rent a car service for vehicles lasting a few days or less often a few months, but certainly for a period shorter than 12 months). Movements in assets with right of use are shown in Note 7, and lease liabilities in Note 15.

4.6 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

Classification and initial measurement of financial assets

Financial assets are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI

The classification is determined by both:

- the Company's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in the statement of comprehensive income are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Given loans, deposits and receivables

Trade receivables, receivables from given loans and deposits and other receivables with fixed or determinable payments that are not quoted on the active market, are classified as loans and receivables. Loans and receivables are measured at amortized cost, using the effective interest rate method, less any impairment losses. Interest income is recognized using the effective interest rate, except for short-term receivables where the recognition of interest would not be materially significant.

Cash and cash equivalents

Cash and cash equivalents include cash, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less and that are subject to an insignificant risk of changes in value.

Notes to the financial statements (continued)

4. Summary of significant information about accounting policies (continued)

4.6 Financial instruments (continued)

Impairment of financial assets

All financial assets that are not measured at fair value are subject to impairment using the expected credit loss model. In the Company, these are trade receivables.

Expected credit losses are estimated on an individual basis or at the portfolio level (claims grouped by maturity age) based on:

- an unbiased and estimated amount based on an assessment of the range of possible outcomes
- the time value of money
- reasonable and substantiated information (without excessive cost and effort) about past events, current circumstances and anticipated future conditions and circumstances.

Financial liabilities – classification and measurement

The Company's financial liabilities include loans and borrowings, trade and other payables and lease liabilities. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

4.7 Provisions

A provision is recognised when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

Provisions are measured at the present value of the required cash outflow to settle the liability, using a pre-tax discount rate that reflects current market assessments of the time value of money as well as the risks specific to the liability. The provision amount is increased each period to reflect the elapsed time. This increase is shown as interest expense.

4.8 Inventories

The inventories are valued at lower of cost or net realizable value. The cost of sales is based on the weighted average cost of disposed goods. Net realizable value is the estimated selling price less all estimated costs of completion and costs of marketing, sales and distribution. Inventory derecognition is measured using the weighted average cost method.

In cases where it is necessary to reduce the value of stocks to their net sales value, the value adjustment of non-current stocks and stocks with slow turnover is carried out and the related cost is recognized in the profit and loss account.

Notes to the financial statements (continued)

4. Summary of significant information about accounting policies (continued)

4.9 Share capital

The share capital is expressed in Euro at nominal value.

4.10 Reserves

Capital reserves are part of the capital that the Company realizes: by selling shares above the nominal value of the subscribed capital (above the cost of acquiring treasury shares), as well as additional paid-in capital and everything else according to the provisions of the Companies Act.

Reserves from profits are part of the capital that is formed from the profit of the Company and consist of: legal reserves, statutory reserves, reserves for the purchase of own shares (shares) and other reserves.

4.11 Dividends

Dividends are recognized in the statement of changes in capital and shown as a liability in the period in which they were approved by the Company's owners.

4.12 Revenue

Revenue recognition

Revenues are generated from the Company's regular business operations. The basic principle of IFRS 15 is that the entity recognizes revenue in a way that reflects the transfer of promised goods or services to the customer in an amount that reflects the compensation to which it expects to be entitled in exchange for the promised goods or services.

The basic principle is elaborated through a model consisting of five steps:

Step 1: Determine the contract(s) with the customer.

Step 2: Determine the delivery obligations in the contract.

Step 3: determine the price of the transaction.

Step 4: Assign the transaction price to the delivery obligations in the contract.

Step 5: recognize revenue when (or as) the entity fulfils the delivery obligation

Revenues are recognized for each separate delivery obligation in the contract in the amount of the transaction price. The transaction price is the amount of compensation in the contract to which the Company expects to be entitled in exchange for the transfer of the promised goods or services to the customer.

The Company recognizes revenue when the amount of revenue can be reliably measured, when the Company will have future economic benefits and when the specific criteria for all the Company's activities described below are met.

a) Services

Revenues from services are recognized in the period in which the services are performed.

b) Income from product sales

Revenue from the sale of products is recognized when the delivery obligations are satisfied by transferring control over the promised products to the customer. Control of the products is transferred when the products are delivered to the customer, the customer has full possession of the products and there are no outstanding obligations that could affect the customer's acceptance of the products. Delivery is made when the products are shipped to a specific location and the risks of obsolescence and loss are transferred to the customer. Control of products is usually transferred at a certain point in time.

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Notes to the financial statements (continued)

4. Summary of significant information about accounting policies (continued)

4.13 Employee benefits

Staff costs include net salaries and wages, costs of taxes and contributions from salaries, social security contributions and other employee benefits.

a) Obligations for pensions and other obligations after retirement

In the course of regular business, when paying salaries, the Company makes regular payments of contributions on behalf of its employees, who are members of mandatory pension funds, in accordance with the Law. Mandatory pension contributions to the funds are reported as part of the salary expense when they are calculated. The Company does not have an additional pension plan and therefore has no other obligations regarding employee pensions. Furthermore, the Company has no obligation to provide any other benefits to employees after their retirement.

b) Other employee benefits

The Company recognizes a liability for accrued benefits for unused holiday as of the balance sheet date.

4.14 Financial income and financial expenses

a) Financial income

Financial income consists of interest, exchange rate differences and similar income from transactions with related parties, interest, exchange rate differences, dividends and similar income from transactions with third parties, unrealized gains (income) and other financial income. Interest income is recognized in the income statement when it arises, using the effective interest rate method.

b) Financial expenses

Financial expenses include interest, exchange rate differences and other expenses from transactions with related parties, interest, exchange rate differences and other expenses from transactions with third parties, unrealized losses (expenses) of financial assets and other financial expenses.

Borrowing costs are recognized as an expense in the period in which they are incurred unless they are capitalized.

4.15 Income tax

The Company calculates income tax in accordance with the Croatian tax law. Income tax is calculated on the basis of taxable profit, after deduction from the financial result of certain items of income and expenses as prescribed by Croatian laws. The amount of income tax for the year includes current income tax and deferred tax.

Current tax

Current tax is the amount of income tax to pay/(refund) on taxable income for the period. Taxable profit differs from profit reported in the income statement because it does not include items of income and expenses that are taxable or non-taxable in other periods and does not include items that are never taxable or non-taxable. The current tax liability is calculated using the tax rates in effect at the balance sheet date.

Deferred tax

Deferred income tax take into account tax losses carried forward and temporary tax differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. Deferred tax assets are recognized to the extent that it is probable that sufficient taxable profit will be available against which the deferred tax assets can be utilised. Deferred tax assets are reviewed at each balance sheet date and reduced by the amount for which it is no longer probable that the tax asset will be used.

Notes to the financial statements (continued)

5. Intangible assets

	Software and other intangible assets	Intangible assets under construction	Total
	EUR	EUR	EUR
Cost			
As at 1 January 2023	9,459,052	176,684	9,635,736
Additions	326,379	686,964	1,013,343
Disposals	-	(60,325)	(60,325)
Transfer	176,684	(176,684)	-
As at 31 December 2023	**9,962,115**	**626,639**	**10,588,754**
Accumulated amortization			
As at 1 January 2023	(993,886)	-	(993,886)
Charge for the period	(992,923)	-	(992,923)
As at 31 December 2023	**(1,986,809)**	**-**	**(1,986,809)**
Net carrying value			
As at 1 January 2023	8,465,166	176,684	8,641,850
As at 31 December 2023	**7,975,306**	**626,639**	**8,601,945**
Cost			
As at 1 January 2024	9,962,115	626,639	10,588,754
Additions	1,047,794	325,499	1,373,293
Disposals	-	(42,230)	(42,230)
Transfer	626,639	(626,639)	-
As at 31 December 2024	**11,636,548**	**283,269**	**11,919,817**
Accumulated amortization			
As at 1 January 2024	(1,986,809)	-	(1,986,809)
Charge for the period	(1,092,895)	-	(1,092,895)
As at 31 December 2024	**(3,079,704)**	**-**	**(3,079,704)**
Net carrying value			
As at 1 January 2024	7,975,306	626,639	8,601,945
As at 31 December 2024	**8,556,844**	**283,269**	**8,840,113**

Intangible assets mainly refer to software and software solutions of the platforms for organizing games of chance and lottery games for the Company's client.

Notes to the financial statements (continued)

6. Property, plant and equipment

	Computer and electronic equipment EUR	Furniture and other equipment EUR	Tangible assets under construction EUR	Total EUR
Cost				
As at 1 January 2023	5,539,164	21,378	-	5,560,542
Additions	7,299	-	-	7,299
Disposals	(1,663)	-	-	(1,663)
As at 31 December 2023	**5,544,800**	**21,378**	**-**	**5,566,178**
Accumulated depreciation				
As at 1 January 2023	(1,312,598)	(16,742)	-	(1,329,340)
Charge for the period	(553,643)	(2,662)	-	(556,305)
Disposals	1,663	-	-	1,663
As at 31 December 2023	**(1,864,578)**	**(19,404)**	**-**	**(1,883,982)**
Net carrying value				
As at 1 January 2023	4,226,566	4,636	-	4,231,202
As at 31 December 2023	**3,680,222**	**1,974**	**-**	**3,682,196**
Cost				
As at 1 January 2024	5,544,800	21,378	-	5,566,178
Additions	63,981	1,291	32,021	97,293
Disposals	(3,180)	-	-	(3,180)
As at 31 December 2024	**5,605,601**	**22,669**	**32,021**	**5,660,291**
Accumulated depreciation				
As at 1 January 2024	(1,864,578)	(19,404)	-	(1,883,982)
Charge for the period	(554,987)	(1,408)	-	(556,395)
Disposals	1,139	-	-	1,139
As at 31 December 2024	**(2,418,426)**	**(20,812)**	**-**	**(2,439,238)**
Net carrying value				
As at 1 January 2024	3,680,222	1,974	-	3,682,196
As at 31 December 2024	**3,187,175**	**1,857**	**32,021**	**3,221,053**

Notes to the financial statements (continued)

6. Property, plant and equipment (continued)

Property, plant and equipment mainly refers to computer and other electronic equipment (hardware solutions of the platforms for organizing games of chance and lottery games for the Company's client.

7. Right-of-use assets

	Vehicles	Business premisses	Total
	EUR	EUR	EUR
Cost			
As at 1 January 2023	37,205	230,777	267,982
Additions	-	3,671	3,671
Disposals	-	-	-
As at 31 December 2023	**37,205**	**234,448**	**271,653**
Accumulated depreciation			
As at 1 January 2023	(3,718)	(175,311)	(179,029)
Charge for the period	(7,524)	(51,545)	(59,069)
Disposals	-	-	-
As at 31 December 2023	**(11,242)**	**(226,856)**	**(238,098)**
Net carrying value			
As at 1 January 2023	33,487	55,466	88,953
As at 31 December 2023	**25,963**	**7,592**	**33,555**
Cost			
As at 1 January 2024	37,205	234,448	271,653
Additions	-	109,245	109,245
Disposals	-	-	-
As at 31 December 2024	**37,205**	**343,693**	**380,898**
Accumulated depreciation			
As at 1 January 2024	(11,242)	(226,856)	(238,098)
Charge for the period	(7,525)	(54,016)	(61,541)
Disposals	-	-	-
As at 31 December 2024	**(18,767)**	**(280,872)**	**(299,639)**
Net carrying value			
As at 1 January 2024	25,963	7,592	33,555
As at 31 December 2024	**18,438**	**62,821**	**81,259**

Right-of-use assets refer to assets from operating lease agreements (business premises and vehicles) which, according to the provisions of IFRS 16, are reported as right-of-use assets in accordance with the Company's accounting policy (Notes 4.5).

Notes to the financial statements (continued)

7. Right-of-use assets (continued)

Amounts recognised in profit and loss:

	2024 EUR	2023 EUR
Depreciation expense on right-of-use assets (Note 7)	61,541	59,069
Interest expense (Note 23)	4,591	3,120
Other lease expenses (Note 21)	637	757
Total	**66,769**	**62,946**

8. Given deposits

	31 December 2024 EUR	31 December 2023 EUR
Deposits from operating lease agreements	10,331	10,331
Total	**10,331**	**10,331**

9. Inventory

	31 December 2024 EUR	31 December 2023 EUR
Spare parts from third parties	32,864	27,687
Spare parts from related parties	11,982	11,982
Total	**44,846**	**39,669**

10. Trade and other receivables

	31 December 2024 EUR	31 December 2023 EUR
Trade receivables	15,136,084	10,231,553
Trade receivables from related parties (Notes 26)	107,271	804
Other receivables	1,022	2,191
Total	**15,244,377**	**10,234,548**

The age structure of trade receivables is presented in the Note 27 – Financial instruments.

In accordance with IFRS 9, the Company applies a simplified approach to the measurement of expected credit losses, which uses provisioning for expected loss during the entire lifetime for all trade receivables.

Notes to the financial statements (continued)

11. Prepayments and prepaid expenses

	31 December 2024 EUR	31 December 2023 EUR
Prepaid expenses	200,235	241,134
Given advances and prepayments	26,693	4,526
Accrued income	2,754	64,246
Total	**229,682**	**309,906**

12. Cash and cash equivalents

	31 December 2024 EUR	31 December 2023 EUR
Cash in bank – domestic currency	203,932	607,540
Cash in bank – foreign currency	1,047	5,722
Total	**204,979**	**613,262**

13. Equity

The sole owner of the Company is INTRALOT GLOBAL HOLDINGS B.V., the Netherlands. The ultimate owner of the Company is Intralot S.A., Greece, whose shares or financial instruments are traded on the Athens Stock Exchange.

Reserves in the amount of EUR 636 (December 31, 2023: EUR 636) refer to capital reserves.

During 2023 and 2024, there was no profit payment to the owner of the Company. The Company's retained earnings as of 31 December 2024 is EUR 7,250,198 (2023: EUR 4,730,533).

Notes to the financial statements (continued)

14. Loans and borrowings

	31 December 2024 EUR	31 December 2023 EUR
Non-current loans and borrowings		
Non-current loan from related party (Note 26)	-	607,728
Total non-current loans and borrowings	**-**	**607,728**
Current loans and borrowings		
Current loan from related party (Note 26)	643,223	-
Interest liability on non-current loan from related party (Note 26)	60,604	35,495
Total current *loans and borrowings*	**703,827**	**35,495**
Total loans and borrowings	**703,827**	**643,223**

15. Lease liabilities

	31 December 2024 EUR	31 December 2023 EUR
Non-current lease liabilities		
Operating lease liabilities (IFRS 16)	21,474	19,735
Total non-current lease liabilities	**21,474**	**19,735**
Current lease liabilities		
Operating lease liabilities (IFRS 16)	62,356	15,265
Total current lease liabilities	**62,356**	**15,265**
Total lease liabilities	**83,830**	**35,000**

Notes to the financial statements (continued)

16. Trade and other payables

	31 December 2024 EUR	31 December 2023 EUR
Liabilities to related party (Notes 26)	18,386,342	15,315,838
Trade payables	993,087	897,415
VAT liability	187,111	531,228
Liabilities to employees	49,638	40,147
Provision for unused holidays	31,009	25,452
Liabilities for other taxes and contributions	30,570	26,473
Accrued expenses	26,341	39,044
Provisions for penalties	-	924,672
Total	**19,704,098**	**17,800,269**

17. Revenue from sales

	2024 EUR	2023 EUR
Revenue from services – Internet casino	5,245,865	4,544,620
Revenue from service – other games	11,012,226	10,183,281
Other revenue from sale	(550,000)	550,000
Total	**15,708,091**	**15,277,901**

The Company generates revenues from sales on the Croatian market according to a long-term services contract with the organizer of lotteries and other games of chance.

18. Other operating income

	2024 EUR	2023 EUR
Released from provisions	25,452	34,150
Other income from related parties	2,745	3,921
Other operating income	3,682	98,191
Total	**31,879**	**136,262**

Notes to the financial statements (continued)

19. Cost of direct services

	2024 EUR	2023 EUR
Group profit split	3,181,664	3,295,312
Costs of licenses and rights	2,808,082	2,428,641
Software maintenance	2,601,743	2,365,185
Used spare parts	3,158	4,105
Other direct services	115,148	115,122
Total	**8,709,795**	**8,208,365**

20. Staff costs

	2024 EUR	2023 EUR
Net wages and salaries	506,760	415,007
Taxes and contributions from salaries	257,949	225,921
Social security contributions	90,848	82,480
Other employee benefits	123,816	114,584
Total	**979,373**	**837,992**

On 31 December 2024, the number of employees was 25 (31 December 2023: 21).

Contributions include EUR 153 thousand (2023: EUR 132 thousand) of contributions paid to the mandatory pension fund. Contributions are calculated as a percentage of the employee's gross wages.

The amount of compensation to members of key management for 2024 is EUR 125 thousand (2023: EUR 134 thousand.

Notes to the financial statements (continued)

21. Administrative expenses

	2024 EUR	2023 EUR
Insurance costs	124,407	42,872
Intellectual services	107,787	113,993
Penalty interest receivables write-of	97,407	-
Entertainment costs	73,663	48,039
Utilities	40,047	35,601
Telephone and internet costs	27,176	19,658
IT and security services	26,899	21,077
Costs of business trips	18,181	12,467
Other taxes and contributions	12,817	5,846
Office material and supplies	7,936	9,184
Postal and transport services	4,140	2,015
Maintenance	1,790	6,137
Other leases	637	757
Other administrative costs	4,948	11,005
Total	**547,835**	**328,651**

22. Other operating expenses

	2024 EUR	2023 EUR
Performance related penalties – delays and problems with the system	564,090	924,671
Loss on disposal of non-current assets	2,040	-
Total	**566,130**	**924,671**

Notes to the financial statements (continued)

23. Finance net

	2024 EUR	2023 EUR
Interest income	7	11
Total finance income	**7**	**11**
Interest expenses from related parties	(60,604)	(390,760)
Expenses of guarantee	(34,799)	(34,799)
Interest expenses of Right-of-use assets (Note 7)	(4,591)	(3,120)
Other finance expenses	(7,390)	(7,161)
Total finance expenses	**(107,384)**	**(435,840)**
Finance net	**(107,377)**	**(435,829)**

24. Net currency exchange

	2024 EUR	2023 EUR
Currency exchange gains	1,363	193
Total	**1,363**	**193**
Currency exchange loss	(1,552)	(757)
Total	**(1,552)**	**(757)**
Net currency exchange	**(189)**	**(564)**

Notes to the financial statements (continued)

25. Income tax

The total income tax expense recognized in the statement of comprehensive income is as follows:

	2024 EUR	2023 EUR
Income tax		
Current income tax	560,339	549,246
Deferred tax assets expense		
Impact of temporary tax differences	-	-
Total income tax	**560,339**	**549,246**

The reconciliation of the income tax cost of from the statement of comprehensive income and the amount of income tax calculated based on the legal income tax rate is presented in the following table:

	2024 EUR	2023 EUR
Profit before tax	**3,080,004**	**3,030,349**
Income tax calculated at the rate of 18%	554,401	545,463
Effect of non-deductible expenses	5,938	3,783
Total income tax	**560,339**	**549,246**
Effective tax rate	18.2%	18.1%

26. Transactions with related parties

a) Trade receivables from related parties

	31 December 2024 EUR	31 December 2023 EUR
Intralot Global Operations BV, Netherlands	106,467	-
Intralot S.A., Greece	804	804
Total	**107,271**	**804**

Notes to the financial statements (continued)

26. Transactions with related parties (continued)

b) Accrued income and prepaid expenses with related parties

	31 December 2024 EUR	31 December 2023 EUR
Intralot S.A., Greece	26,184	13,244
Intralot Global Operations BV, Netherlands	2,753	64,246
Total	**28,937**	**77,490**

c) Loans liabilities from related parties

	31 December 2024 EUR	31 December 2023 EUR
Intralot Global Holdings B.V., Netherlands – loan liability	643,223	607,728
Intralot Global Holdings B.V., Netherlands – interest liability	60,604	35,495
Total	**703,827**	**643,223**

d) Trade payables to related parties

	31 December 2024 EUR	31 December 2023 EUR
Intralot S.A., Greece	14,470,503	12,634,368
Intralot Global Operations B.V., Netherlands	3,621,315	2,356,946
Intralot International Ltd. – Cyprus	294,524	324,524
Total	**18,386,342**	**15,315,838**

e) Income from related parties

	2024 EUR	2023 EUR
Intralot Global Operations B.V., Netherlands	2,745	3,921
Total	**2,745**	**3,921**

Notes to the financial statements (continued)

26. Transactions with related parties (continued)

f) Expenses from related parties

	2024 EUR	2023 EUR
Intralot S.A., Greece	3,980,569	3,919,767
Intralot Global Operations B.V., Netherlands	1,270,118	1,119,256
Intralot Global Holdings B.V., Netherlands	60,604	390,760
Total	**5,311,291**	**5,429,783**

27. Financial instruments

Management is fully responsible for risk management. The Company does not use derivative financial instruments for active protection against financial risk exposure.

The main financial liabilities consist of trade payables, loan liabilities and lease liabilities. The company has various financial assets such as receivables from customers, receivables from affiliated companies, cash and cash equivalents, which arise from business operations. The main risks arising from the Company's financial instruments are credit risk, interest rate risk and liquidity risk. Management reviews and establishes management policies for each of the listed risks, which is summarized below.

The categories of financial instruments are as follows:

	31 December 2024 EUR	31 December 2023 EUR
Financial assets		
Given deposits	10,331	10,331
Trade and other receivables	15,244,377	10,234,548
Cash and cash equivalents	204,979	613,262
Total financial assets	**15,459,687**	**10,858,141**

	31 December 2024 EUR	31 December 2023 EUR
Financial liabilities		
Loans and borrowings	703,827	643,223
Lease liability	83,830	35,000
Trade and other payables	19,704,098	17,800,269
Total financial liabilities	**20,491,755**	**18,478,492**

Notes to the financial statements (continued)

27. Financial instruments (continued)

Market risk

The Company is exposed to the risks of rising service prices. These risks are managed by entering into forward contracts with fixed prices with suppliers.

The Company is also exposed to competitive pressure to reduce sales prices. The Company manages this risk by analysing the conditions of competition and tries to convince clients that the selling price reflects the appropriate quality through innovations, improvement of quality and organization, and training of clients.

Currency risk

The Company is exposed to the risk of changes in the Euro exchange rate, given the significant share of services and loans received in the specified currency. With the entry of the Republic of Croatia into the Eurozone, currency risk has been significantly reduced.

Interest rate risk

Interest rate risk is the risk of changes in the value of financial instruments due to changes in market interest rates. The Company defines risk management policies and techniques for their measurement and protection in a way that determines the management of the structure of assets and liabilities with the aim of controlling the effects of interest rate changes on the financial result.

At the balance sheet date, the Company has liabilities for loans from the related party. The agreed interest rate reflects the borrowing costs of that related party. The lender may change the interest rate quarterly with the obligation to send the appropriate notification to the Company.

Credit risk

Credit risk is the Company's risk that the customer or the other party of the financial instrument will not fulfil the obligation and will thereby cause the Company to incur financial losses. A significant part of the credit risk arises from receivables from only one customer.

The company is exposed to credit risk through the following financial assets:

- Given deposits,
- Trade receivables,
- Receivables from related parties,
- Other receivables,
- Prepayments and prepaid expenses,
- Cash and cash equivalents

Notes to the financial statements (continued)

27. Financial instruments (continued)

Exposure to credit risk

The maximum exposure to credit risk from financial assets is as follows at the balance sheet date:

	31 December 2024 EUR	31 December 2023 EUR
Given deposits	10,331	10,331
Trade receivables	15,136,084	10,231,553
Receivables from related parties	107,271	804
Other receivables	1,022	2,191
Prepayments and prepaid expenses	229,682	309,906
Cash and cash equivalents	204,979	613,262
Total	**15,689,369**	**11,168,047**

The Company's exposure to credit risk is mainly influenced by the individual characteristics of the customer.

Impairment

The age structure of net trade receivables at the balance sheet date is as follows:

	31 December 2024 EUR	31 December 2023 EUR
Undue	5,886,719	5,293,174
Due from 0 to 30 days	2,244,745	3,829,707
Due from 31 to 90 days	3,716,698	-
Due from 91 to 120 days	727,084	192,894
Due over 120 days	2,560,838	915,778
Total	**15,136,084**	**10,231,553**

During 2023 and 2024, there were no impairment of trade and other receivables recognised.

Notes to the financial statements (continued)

27. Financial instruments (continued)

Liquidity risk

Liquidity risk is the risk that the Company will have difficulties in collecting funds to meet financial obligations. The Company carefully monitors its cash flows and plans short term cash outflows and inflows.

The following presentation provides an overview of the maturities of the Company's contracted obligations as of 31 December 2023 and 31 December 2024. Contracted cash flows are based on contracted interest rates and are not discounted.

31 December 2023	**Net book value**	**0 to 3 months**	**3 to 12 months**	**1 to 5 years**	**Over 5 years**
Loan liabilities	643,223	-	35,495	607,728	-
Lease liabilities	35,000	3,816	11,449	19,735	-
Trade and other payables	17,800,269	6,487,585	11,312,684	-	-
Income tax liability	289,181	-	289,181	-	-
Total	**18,767,673**	**6,491,401**	**11,648,809**	**627,463**	**-**

31 December 2024	**Net book value**	**0 to 3 months**	**3 to 12 months**	**1 to 5 years**	**Over 5 years**
Loan liabilities	703,827	-	703,827	-	-
Lease liabilities	83,830	15,589	46,767	21,474	-
Trade and other payables	19,704,098	6,469,618	13,234,480	-	-
Income tax liability	107,481	-	107,481	-	-
Total	**20,599,236**	**6,485,207**	**14,092,555**	**21,474**	**-**

Net debt

Balance and movement of net debt is as follows:

	31 December 2024 EUR	**31 December 2023 EUR**
Cash and cash equivalents	204,979	613,262
Loans and borrowings	(703,827)	(643,223)
Lease liabilities	(83,830)	(35,000)
Net debt	**(582,678)**	**(64,961)**

Notes to the financial statements (continued)

27. Financial instruments (continued)

Net debt (continued)

	Loans and borrowings	Lease liabilities	Cash and cash equivalents	Net debt
	EUR	EUR	EUR	EUR
As at 1 January 2023	(5,952,463)	(91,915)	2,379,210	(3,665,168)
Cash flow transaction	5,700,000	63,708	(1,765,948)	3,997,760
Non cash transaction	(390,760)	(3,671)	-	(394,431)
Currency exchange	-	(3,122)	-	(3,122)
As at 31 December 2023	**(643,223)**	**(35,000)**	**613,262**	**(64,961)**
Cash flow transaction	-	66.231	(408.283)	(342.052)
Non cash transaction	(60.604)	(109.245)	-	(169.849)
Currency exchange	-	(5.816)	-	(5.816)
As at 31 December 2024	**(703.827)**	**(83.830)**	**204.979**	**(582.678)**

28. Key accounting estimates

(a) Estimated useful life of property, plant and equipment and intangible assets

Depreciation rates are initially determined in accordance with the best estimate of the useful life of assets. The useful life of assets should be reviewed periodically if there are circumstances to change the assessment in relation to the previously established assessment. Changes in estimate, if determined, will be reflected in future periods through revised amortization expense over the remaining, revised useful life.

The management estimates that the remaining useful life of the asset is in accordance with the current technical conditions and the assessment of the life in which the asset will bring benefits to the Company. The following primary factors are taken into account: (a) expected use of the property; (b) expected physical wear and tear, which depends on operational factors and the maintenance program); and (c) technical or commercial obsolescence resulting from changes in market conditions.

(b) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, and when it is probable that settlement of the obligation will require an outflow of resources embodying economic benefits.

The amount recognized as a provision is the best estimate of the expenditure necessary to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties of imminent events and circumstances.

If the provision is measured by the expected cash flows estimated to settle the liability, the amount of the provision is the present value of the expected expenditure required to settle the liability.

If some or all of the expenditure required to settle the provision is expected to be reimbursed by the other party, compensation is recognized only, and only, when it is almost certain that the compensation will be received if the entity settles the liability and the amount of the claim can be measured reliably.

Notes to the financial statements (continued)

28. Key accounting estimates (continued)

(c) Impairment of trade receivables

Trade receivables are assessed at each balance sheet date for indications of impairment, based on an assessment of the likelihood that the carrying amount of the asset will be recovered. By applying a percentage that reflects expectations of non-payment of receivables from customers (expected credit loss), the Company makes value adjustments for overdue regular external receivables from customers and contractual assets and for overdue unpaid receivables. In addition, each customer is separately evaluated based on the expected date and amount of collection and any security instruments.

For credit exposures for which there has been no significant increase in credit risk since initial recognition, expected credit losses are recognized for credit losses resulting from the probability of default occurring in the next 12 months. For those credit exposures where there has been a significant increase in credit risk since initial recognition, a correction for expected credit losses during the lifetime is required, regardless of the time of borrowing. For trade receivables and contractual assets, the Company applies a simplified approach in calculating expected credit losses and therefore does not monitor changes in credit risk but recognizes a value adjustment based on expected lifetime credit loss at the end of each reporting period.

Expected credit losses on trade receivables are estimated on the basis of the days past due matrix, taking into account the historical experience of the debtor's default status and the analysis of the debtor's current financial position.

29. Contingent assets and liabilities

(a) Bank guarantees

As of 31 December 2024, the Company has no tender or performance bank guarantees issued.

(b) Court cases

As of the balance sheet date, the Company is not involved in any court case as a defendant. Based on this, the Company's Management believes that there are no potential liabilities that could arise on this basis, and no provisions are necessary.

30. Events after the balance sheet date

After 31 December 2024, no business events or transactions have occurred or are expected to have a significant impact on the financial statements as of or for the period ended 31 December 2024, or that are of such significance for the Company's operations that they should be reported in Notes to the financial statements.

On 11 March 2025, signed by:

INTRALOT Adriatic d.o.o.
Zagreb

Mr. Goran Jovičić
Director

Mr. Evripidis Tsivgiouras.
Director