



## Annual Activities Report of the Audit Committee for the fiscal year 01.01.21-31.12.21

### 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 at least 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. Also, all agenda items have been addressed.

#### 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:

##### **01/01/2021 - 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.

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## 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 topic 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 - 31/12/20).
- 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.

## 29/06/2021 - 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.

**Peania, 11.03.2022**

**THE CHAIRMAN OF THE COMMITTEE**

**THE MEMBERS**

**IOANNIS TSOUMAS**

**ADAMANTINI LAZARI    DIONYSIA XIROKOSTA**