



## **ANNUAL REPORT ON AUDIT COMMITTEE 01.01.23-31.12.23**

### **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.

### **Purpose - Responsibilities**

The primary purpose of the Audit Committee is to assist the Board of Directors in its duties to oversee the quality and integrity of financial reporting and financial statements, to assess the effectiveness and adequacy of the internal control system and risk management related to financial reporting, and to oversee the statutory audit of the Company's annual and consolidated financial statements.

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.

### **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 Audit Committee of the Company was elected for the first time with its current composition on 29/6/2021 and was subsequently re-elected consisting of the same three (3) independent non-executive members of the Board of

Directors on 30/08/2023. 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.

FULL NAME	POSITION	DURATION OF TERM OF OFFICE/ COMMENCEMENT OF PARTICIPATION IN THE AUDIT COMMITTEE	NUMBER OF MEETINGS
IOANNIS TSOUMAS*	MEMBER OF THE BOARD - INDEPENDENT NON EXECUTIVE MEMBER - CHAIRMAN	30.08.23-30.08.29	21
ADAMANTINI LAZARI**	MEMBER OF THE BOARD - INDEPENDENT NON EXECUTIVE MEMBER - MEMBER OF THE COMMITTEE	30.08.23- 30.08.29	21
DIONYSIA XEROKOSTA**	MEMBER OF THE BOARD - INDEPENDENT NON EXECUTIVE MEMBER - MEMBER OF THE COMMITTEE	30.08.23-30.08.29	21

Dionysia Xerokosta, Independent Non-Executive Member of the Board of Directors.

### Meetings

The Audit Committee convenes as necessary 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. 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) 2023 (01/01/2023 - 31/12/2023), the Audit Committee has held a total of twenty-one (21) 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.

\* Mr. I. Tsoumas was elected for the first time to the Audit Committee on 15.10.20

\*\* Mrs. Adamantini Lazari and Dionysia Xerokosta were elected members of the Audit Committee for the first time on 29.06.21

## **Activities of the Audit Committee for FY2023**

During the above-mentioned meetings, the Audit Committee has dealt with issues within its competence, namely:

### **01.01.2023 - 31.12.2023**

#### **A. Internal Control System Structure and Procedures**

- The 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 Audit Unit and the Certified Auditors, as well as the actions taken in this regard.
- It has informed the Board of Directors on the above.

The Audit Committee has not identified any material weaknesses in the structure and procedures of the Internal Control System, as reflected in the results of the relevant audit by the external auditors (see section: OTHER MATTERS).

#### **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 was informed about the Supplementary Audit Report of the Company's Certified Auditors for FY2022. Regarding the issue of calculation and recording of expenses and income of subsidiaries mentioned in the 2022 Supplementary Audit Report as a finding, actions were taken internally by the Company following suggestions and requests of the Committee during 2023, for the establishment of a procedure so that it is not included in the Supplementary Audit Report for 2023.
- It has reviewed the Annual Financial Report for FY 2022.
- It has approved the timetable for the finalization of work for the publication of the Financial Statements for the FY 01.01.22-31.12.22.

- 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 2022.

The following were identified as major audit issues:

- Assessment of the impairment of goodwill and intangible assets
- Assessment of the impairment of investments in subsidiaries
- 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.
- It has informed the Board of Directors of the result of the statutory audit, recommended to the Board of Directors the approval of the annual financial statements on an individual and consolidated basis for the financial year 01.01.22-31.12.22, prior to their publication, on the basis of the accounting principles followed, as it found that the annual financial report together with the annual financial statements and the annual management report of the Company, give a true, fair, balanced and understandable view of the development and position of the Company and the entities included in the consolidation and provide the required information to shareholders.
- The Committee shall monitor the compliance of the Certified Auditors with the provisions of Regulation (EU) 537/2014, as amended, as well as other relevant regulatory requirements regarding the level of total remuneration paid to them by the Company in relation to their total income or total income from audit services, so that their independence and objectivity are not compromised by the level of services provided to the Company. The Committee is responsible for approving the provision of non-audit services not prohibited by law. The Committee believes that the certified auditors have significant knowledge of the Group's business and the way in which its accounting policies are applied. This means that in some cases it is considered more efficient for the certified auditors to provide the non-audit services themselves. Also, in some cases there may be confidentiality considerations that make the certified auditors the preferred choice for providing certain non-audit services. However, ensuring the objectivity and independence of certified auditors is of paramount importance.

For this reason, the Committee ensures that the provision of such services does not in any way compromise their independence or objectivity. For non-audit services not prohibited by law, the Committee will consider and evaluate the following:

- i. any potential threats to independence and objectivity arising from the provision of the service and any safeguards to eliminate or reduce such threats to the extent that they do not compromise the auditor's independence and objectivity,
- ii. the nature of the non-audit services to be provided,
- iii. whether the auditing firm's skills and experience make it the most appropriate provider of the non-audit service,
- iv. the fees incurred or to be incurred for the non-audit services, both individually and in the aggregate, in relation to the audit fees, including the specific terms and conditions (e.g., and any fee adjustments); And,

- v. the criteria for the remuneration of the persons carrying out the audit.

In 2023, the Committee reviewed the non-audit services proposed and performed jointly and/or separately by the two Auditing Firms. After evaluating the nature of the proposed services and receiving relevant clarifications, representations and assurances from the two Auditing Firms, the Committee considered that they did not pose a threat to their independence in accordance with Article 44 of Law No. 4449/2017 and Article 5 of Regulation (EU) 537/2014. These non-audit services included:

- The provision of services to both (2) Auditing firms in connection with:
  - The verification of the completeness of the information of the Remuneration Report of Article 112 of Law 4548/2018 for the year 2023 and the examination of the digital files prepared according to the uniform electronic format for the issuance of the annual tax certificate for the year 2023.
  - The audit on the performance of audit procedures on the assurance on pro forma financial information for the period 01.01.23-30.06.23, in accordance with the International Standard on Assurance Engagements (ISAE) 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information".
  - The review of the interim financial information of the Company and the Group for the period 01.01.23-30.09.23 and the period 01.01.22-30.09.22.
  - The performance of agreed-upon procedures on the interim Management Accounts of the Company and its subsidiaries from the date of publication of the last financial statements, i.e. from June 30, 2023 to September 30, 2023, and to perform agreed-upon procedures on the Reports on the Use of the Funds raised of the Company for the period 01.01.23-31.12.23.

Additional services provided by Grant Thornton:

- In connection with the proposed share capital increase and in relation to the performance of agreed-upon procedures on selected Consolidated Financial Statements and Information to be included in the Prospectus in connection with the forthcoming issue of a Corporate Bond in the form of a common bond loan, the public offering of the bonds and their admission to trading in the fixed income securities category of the Regulated Market of the Athens Stock Exchange.

In addition, with respect to the certified auditors, the Committee shall ensure that they maintain their independence and objectivity and are effective in carrying out the statutory audit. The independence takes into account their annual declaration of independence and discusses with them any threats that may jeopardize their independence and the ways to ensure that threats are addressed. In 2023 the certified auditors provided the Audit Committee with a declaration of independence in accordance with the International Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements related to the audit of financial statements in Greece. Based on the information provided by the Company's and the Group's services, no issues regarding the independence and objectivity of the Certified Auditors have arisen.

- It has monitored the services provided by the Certified Auditors as part of the statutory audit.
- It submitted a positive recommendation for the reappointment by the General Meeting of the same Certified Auditors, i.e. the audit firms SOL CROWE and GRANT THORNTON for the joint audit of the FY 01.01.2023 - 31.12.2 and the issuance of the tax certificate as per

article 65a of Law 4174 /2013 of the Company, as well as for the approval of their remuneration and employment terms, after having taken into consideration their evaluation from the Audit Committee and the Financial Division, as well as the offers of a total of three (3) Auditing Firms. In addition, they were mandated to review the Interim Standalone and Consolidated Financial Statements for the period ending June 30, 2023.

- During 2024, the Committee plans to organize a tender for a new Certified Auditor as part of the implementation of Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 and the relevant transitional provisions of Article 52 of Law 4449/2017.
- It was briefed by the Finance Department on the financial statements for the first and third quarters of 2023 and recommended them to the Board of Directors for approval, having received assurances as to the correctness and accuracy of the information to be disclosed.
- It was briefed by the Certified Auditors, who presented a report - presentation to the Audit Committee - on the interim financial statements for the 1H23, in accordance with the international auditing standards, which it reviewed and found no gaps or discrepancies in the assurances provided as to the correctness and accuracy of the information, and then prepared a report and recommended their approval to the Board of Directors.

The Audit Committee did not identify any material deviations in the Financial Statements and the Statutory Audit matters examined, while some non-material weaknesses (which do not in any way affect the published financial results of the Intralot Group) were addressed by the Company during 2023, following the recommendations of the Audit Committee, or are planned to be addressed during 2024.

In general, the Audit Committee with respect to the above is of the opinion that the Company is fully compliant with the legal and regulatory framework and complies with all relevant rules and procedures.

## **C. Internal Audit**

- It has monitored the effectiveness and adequacy of the Internal Audit and the execution of the audit program by the Internal Audit Unit without compromising its independence.
- It has reviewed and evaluated the Internal Audit reports for Q1, Q2, Q3 and Q4 of 2023, as well as the relevant comments of the Management; and has monitored the development and progress of the Internal Audit findings, has informed the Board of Directors of the Company on these findings, and made recommendations for improvement, formulated comments and proposed the implementation of additional corrective measures, where deemed appropriate. It was informed of the Corrective Actions and improvements to 2022 and 2023 Audit findings. It was informed and has approved the annual report and the activities of the Internal Audit Unit for the FY 2022 (01/01/2022 - 31/12/2022).
- Approved the Budget of the Internal Audit Unit for 2023.
- Approved the Annual Audit Plan for 2024.
- Evaluated the adequacy and effectiveness of the Internal Audit Unit and the Head of the Unit for 2022.
- In early 2024, it has evaluated the adequacy and effectiveness of the Internal Audit Unit and the Head of the Unit for 2023.

The Audit Committee has not identified any material weaknesses in the Company's internal audit unit, and notes that, following its suggestions, a process to address some low risk findings has been implemented and/or planned, and that the departments of the companies

of the Group are complying with the timetable for the resolution of the internal audit findings, while in general it considers the work performed by the Company's internal audit unit to be entirely positive.

## **D. Other matters**

- It approved its annual action plan for 2023.
- Approved the Information of the General Meeting of Shareholders on its activities ("ANNUAL REPORT") for the year 2022 (01/01/2022 - 31/12/22).
- It was informed by Grant Thornton of the final findings and reports (summary and detailed) of the external evaluation of the Internal Control System and subsequently followed the corrective actions of the Company's internal structures on the non-significant findings of the detailed report of the evaluation of the Internal Control System, based on Article 14 of Law No. 4706/2020 and Resolution 1/891/30.09.2020 of the Board of Directors of the Hellenic Capital Market Commission, indicated proposed improvement points, monitored their implementation and informed the Board of Directors.
- It formed into a body and elected its President.
- Information, discussion, drafting of a letter and response to the issues raised in the letter of the Hellenic Capital Market Commission No. 2441/05.10.23.
- Established a procedure for the selection of Certified Auditors.

## **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 19.03.2024

## **THE AUDIT COMMITTEE**

### **THE CHAIRMAN**

**IOANNIS TSOUMAS**

### **THE MEMBERS**

**ADAMANTINI**

**LAZARI**

**DIONYSIA XEROKOSTA**

