

Company registration number 06451119 (England and Wales)

**INTRALOT FINANCE UK LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**



# INTRALOT FINANCE UK LIMITED

## COMPANY INFORMATION

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**Directors**

Mr Vasileios Vasdaris  
Mr Evangelos Raptis  
Mr Chrysostomos Sfatos

**Company number**

06451119

**Registered office**

First Floor Sheraton House  
Lower Road  
Chorleywood  
Hertfordshire  
United Kingdom  
WD3 5LH

**Auditor**

Haines Watts (Berkhamsted) Ltd  
4 Claridge Court  
Lower Kings Road  
Berkhamsted  
Herts  
United Kingdom  
HP4 2AF

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# **INTRALOT FINANCE UK LIMITED**

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# **INTRALOT FINANCE UK LIMITED**

## **STRATEGIC REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2021**

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The directors present the strategic report and financial statements for the year ended 31 December 2021.

#### **Fair review of the business**

During the year the Company restructured some loans to and from group companies via waivers and set offs. Total costs of €18.3m associated with the restructuring process charged by group companies were all recharged to the group.

At the year end the Company was owed €504.69m (2020: €709.31m) by group and associated companies, all of which has been guaranteed by Intralot SA. Intralot SA has also agreed to provide sufficient support if necessary to enable the Company to continue as a going concern for a period of twelve months from the date of approval of the 2021 financial statements.

Due to the loan restructuring, interest income and costs reduced but profit, excluding the gain on transfer from the fellow subsidiaries in 2020, only decreased slightly and the Company anticipates continuing to make profits in the foreseeable future; thus the year end position is considered satisfactory.

#### **Future developments**

It is anticipated that further loans will be made during the next year and that the Company will remain profitable in the foreseeable future.

#### **Principal risks and uncertainties**

The key business risk is considered to be the fact that the Group as a whole is exposed to the deterioration of the worldwide economy, which could potentially have a negative impact on the overall performance of the Group as a whole.

The group has also been affected by the Covid-19 pandemic and are continuously assessing the impact this has on its economic activities. The financial impact on the Company for 2022 is not expected to be significant.

The directors plan to mitigate these risks by continued monitoring of the Group performance and both the Greek and global market conditions as they impact the Group.

The Company is aware of the need to manage carefully its exposure to foreign currency risk, interest rate risk, credit risk and liquidity risk. It adopts conservative policies to minimise and monitor these risks. The key risk of non-repayment from fellow subsidiaries is managed by continued monitoring of the Group performance and market conditions as they impact the Group. The following are the Company's consideration of its significant risks.

#### **Credit Risk**

The Company does not have significant credit risk concentration because it mostly only lends to other Group companies and all loans are guaranteed by its parent, Intralot SA. The maximum exposure of credit risk amounts to the aggregate values presented in the balance sheet. In order to minimize the potential credit risk exposure arising from cash and cash equivalents, the Company sets limits regarding the amount of credit exposure to any financial institution and deals with well established financial institutions of high credit standing. There are no financial assets that are past due or impaired.

#### **Interest Rate Risk**

The Company's interest rate risk arises from borrowings and loans to other Group companies. Loans to other Group companies include a condition to retrospectively amend rates if the cost of borrowing changes. For this reason, if interest rates had been 50 basis points higher/lower and all other variables were held constant profit/(loss) for the year would not have been significantly different.

# INTRALOT FINANCE UK LIMITED

## STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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### Liquidity Risk

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The capital structure of the Company consists of net debt (borrowings as detailed in note 11 offset by cash and bank balances) and equity (comprising issued capital, reserves and retained earnings). Capital management requirements are imposed by its parent, Intralot SA, and the group manages liquidity risk by regularly forecasting future cashflows to ensure sufficient funding.

### Key performance indicators

Funding available €528.27m (2020: €770.34)

Funding utilised €479.33m (2020: €688.44m)

Income as a percentage of funding utilised 9.40% (2020: 7.43%)

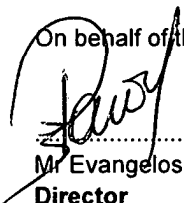
Costs as a percentage of funding utilised 8.96% (2020: 7.12%)

### Stakeholder engagement

In accordance with section 172(1)(a) to (f) of the Companies Act 2006, the directors provide this statement to describe how they have engaged with the key stakeholders when performing their duties, to promote the success of the Company.

The Companies stakeholders consist of members of the Intralot group and the consideration of these stakeholders is key when making business decisions. The Company therefore carries out its activities in order to assist in the development of the Group.

On behalf of the board



Mr Evangelos Raptis  
Director



Mr Vasileios Vasdaris  
Director

Date: 12/09/2022

# **INTRALOT FINANCE UK LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2021**

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The directors present their annual report and financial statements for the year ended 31 December 2021.

#### **Principal activities**

The principal activities of the Company continued to be that of raising finance and providing loans to Companies in the Intralot Group to enable the Group to develop its overall business activities.

#### **Results and dividends**

The results for the year are set out on page 8.

The directors do not recommend the payment of any dividends (2020: €Nil).

#### **Directors**

The directors' interests in the shares of the Company were as stated below:

Mr Vasileios Vasdaris  
Mr Evangelos Raptis  
Mr Chrysostomos Sfatos

#### **Supplier payment policy**

The company's current policy concerning the payment of trade creditors is to follow the CBI's Prompt Payers Code (copies are available from the CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU).

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

Trade creditors of the company at the year end were equivalent to XX day's purchases, based on the average daily amount invoiced by suppliers during the year.

#### **Financial instruments**

The risk management objectives and policies of the Company in relation to the use of financial instruments can be found in note 16 to the financial statements.

#### **Auditor**

Haines Watts (Berkhamsted) Ltd were appointed as auditor to the Company and are deemed to be reappointed under section 487(2) of the Companies Act 2006.

#### **Energy and carbon report**

As the Company has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

# INTRALOT FINANCE UK LIMITED

## DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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### Statement of directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union.

Company law requires the directors to prepare financial statements for each financial year. The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Strategic report

The Company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the Company's strategic report information required to be contained in the directors' report. It has done so in respect of review of the business and future developments and key performance indicators.

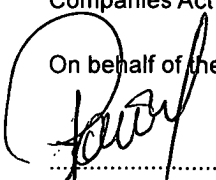
### Statement of disclosure to auditor

Each director in office at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that he / she ought to have taken as a director in order to make himself / herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

On behalf of the board

  
.....  
Mr Evangelos Raptis  
Director

Date: 12/09/2022

  
.....  
Mr Vasileios Vasdaris  
Director

# INTRALOT FINANCE UK LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF INTRALOT FINANCE UK LIMITED

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#### Opinion

We have audited the financial statements of Intralot Finance UK Limited (the 'company') for the year ended 31 December 2021 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. 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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.



# INTRALOT FINANCE UK LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF INTRALOT FINANCE UK LIMITED

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#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives 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 a Report of the Auditors 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 (UK) 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Identifying and assessing the controls management has in place to prevent and detect fraud;
- Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
- Challenging assumptions and judgments made by management in its significant accounting estimates and judgments;
- Identifying and testing journal entries, in particular journal entries posted with unusual account combinations; and
- Assessing the extent of compliance with the relevant laws and regulations.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations are from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusions.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# **INTRALOT FINANCE UK LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF INTRALOT FINANCE UK LIMITED**

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#### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Shaun Brownsmith FCA (Senior Statutory Auditor)**  
**For and on behalf of Haines Watts (Berkhamsted) Ltd**

Date: 21/9/22

**Chartered Accountants**  
**Statutory Auditor**

4 Claridge Court  
Lower Kings Road  
Berkhamsted  
Herts  
United Kingdom  
HP4 2AF

# INTRALOT FINANCE UK LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

		2021 €	2020 €
Other operating income	Notes	18,311,555	-
Administrative expenses		(18,480,250)	(267,559)
<b>Operating loss</b>	<b>3</b>	<b>(168,695)</b>	<b>(267,559)</b>
Investment income	<b>6</b>	45,064,465	51,127,769
Finance costs	<b>7</b>	(42,797,138)	(48,755,470)
Other gains and losses	<b>8</b>	-	14,882,841
<b>Profit before taxation</b>		<b>2,098,632</b>	<b>16,987,581</b>
Income tax expense	<b>9</b>	(409,350)	(394,903)
<b>Profit for the year</b>		<b>1,689,282</b>	<b>16,592,678</b>
<b>Other comprehensive income:</b>			
<b>Items that may be reclassified to profit or loss</b>			
Investments held at fair value through other comprehensive income:			
- Valuation loss arising in the year			
		(54,050)	(37,620)
Total items that may be reclassified to profit or loss		(54,050)	(37,620)
<b>Total other comprehensive income for the year</b>		<b>(54,050)</b>	<b>(37,620)</b>
<b>Total comprehensive income for the year</b>		<b>1,635,232</b>	<b>16,555,058</b>


# INTRALOT FINANCE UK LIMITED


## STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Notes	2021 €	2020 €
<b>Non-current assets</b>			
Investments	10	470,108,385	518,824,762
Other receivables	11	2,859,375	6,204,479
		<u>472,967,760</u>	<u>525,029,241</u>
<b>Current assets</b>			
Investments	10	13,112,164	182,737,991
Trade and other receivables	11	23,159,744	7,799,083
Cash and cash equivalents		3,591,383	13,584,550
		<u>39,863,291</u>	<u>204,121,624</u>
<b>Current liabilities</b>			
Trade and other payables	13	9,628,750	7,819,786
Current tax liabilities		109,009	378,352
Borrowings	12	8,280,051	190,113,291
		<u>18,017,810</u>	<u>198,311,429</u>
<b>Net current assets</b>		<u>21,845,481</u>	<u>5,810,195</u>
<b>Non-current liabilities</b>			
Borrowings	12	479,330,766	516,992,193
<b>Net assets</b>		<u>15,482,475</u>	<u>13,847,243</u>
<b>Equity</b>			
Called up share capital	14	54,649	54,649
Revaluation reserve	15	(996,355)	(942,305)
Retained earnings		16,424,181	14,734,899
<b>Total equity</b>		<u>15,482,475</u>	<u>13,847,243</u>

The financial statements were approved by the board of directors and authorised for issue on .....12.09.22 and are signed on its behalf by:

  
 .....  
 Mr Vasileios Vasdaris  
 Director

  
 .....  
 Mr Evangelos Raptis  
 Director

Company registration number 06451119

# INTRALOT FINANCE UK LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital €	Revaluation reserve €	Retained earnings €	Total €
<b>Balance at 1 January 2020</b>	54,649	(904,685)	(1,857,779)	(2,707,815)
<b>Year ended 31 December 2020:</b>				
Profit for the year	-	-	16,592,678	16,592,678
Other comprehensive income:				
Adjustments to fair value of financial assets	-	(37,620)	-	(37,620)
Total comprehensive income for the year	-	(37,620)	16,592,678	16,555,058
<b>Balance at 31 December 2020</b>	54,649	(942,305)	14,734,899	13,847,243
<b>Year ended 31 December 2021:</b>				
Profit for the year	-	-	1,689,282	1,689,282
Other comprehensive income:				
Adjustments to fair value of financial assets	-	(54,050)	-	(54,050)
Total comprehensive income for the year	-	(54,050)	1,689,282	1,635,232
<b>Balance at 31 December 2021</b>	54,649	(996,355)	16,424,181	15,482,475

# INTRALOT FINANCE UK LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 €	€	2020 €	€
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	19	(136,109)		(287,707)	
Interest paid		(51,799,033)		(46,638,319)	
Income taxes paid		(678,693)		-	
<b>Net cash outflow from operating activities</b>		<b>(52,613,835)</b>		<b>(46,926,026)</b>	
<b>Investing activities</b>					
Loans made to other entities		(3,882,925)		(32,878,500)	
Repayment of loans		36,765,365		75,624,600	
Purchase of investments		-		(189,141)	
Interest received		7,592,416		13,306,972	
<b>Net cash generated from investing activities</b>		<b>40,474,856</b>		<b>55,863,931</b>	
<b>Financing activities</b>					
Proceeds from borrowings		2,250,000		-	
Repayment of borrowings		(85,670)		-	
<b>Net cash generated from/(used in) financing activities</b>		<b>2,164,330</b>		<b>-</b>	
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(9,974,649)</b>		<b>8,937,905</b>	
Cash and cash equivalents at beginning of year		13,584,550		4,645,263	
Effect of foreign exchange rates		(18,535)		1,382	
Cash and cash equivalents at end of year		<b>3,591,366</b>		<b>13,584,550</b>	
<b>Relating to:</b>					
Bank balances and short term deposits		3,591,383		13,584,550	
Bank overdrafts		(17)		-	

# INTRALOT FINANCE UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies

#### Company information

Intralot Finance UK Limited is a private company limited by shares incorporated in England and Wales. The registered office is First Floor Sheraton House, Lower Road, Chorleywood, Hertfordshire, United Kingdom, WD3 5LH. The Company's principal activities and nature of its operations are disclosed in the directors' report.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union, IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The principal accounting policies are set out below. There are no new mandatory or recommended standards not yet adopted that would have significant impact on these financial statements.

#### 1.2 Going concern

The main purpose of the Company is to provide finance to other Companies in the Intralot Group and it is supported in this function by its parent, Intralot SA, a company incorporated in Greece and listed on the Athens Stock Exchange.

At the year end the Company was owed €504.7m by group and associated companies, all of which has been guaranteed by Intralot SA. Intralot SA has also agreed to provide sufficient support if necessary to enable the Company to continue as a going concern for a period of twelve months from the date of approval of the 2021 financial statements.

The group has also been affected by the Covid-19 pandemic and is constantly reviewing operations in order to protect the integrity of its operations. The group currently estimates maintaining budget figures within the next year.

For these reasons the directors continue to adopt the going concern basis in preparing its financial statements.

#### 1.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

##### Finance revenue

Finance revenue is recognised as interest accrues based on a time-proportion basis using the effective interest method. The effective interest method is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

#### 1.4 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less.

# INTRALOT FINANCE UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies

(Continued)

#### 1.5 Financial assets

Loans and receivables comprise loans and related transaction costs to mostly Group Companies and are recognised under the contracts entered into from the drawdown date of the loan. They are initially measured at fair value, being the amount for which the financial asset could be exchanged between knowledgeable, willing parties. After initial recognition financial assets comprising loans and receivables are measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including transaction costs) through the expected life of the financial asset, or, where appropriate, a shorter period.

Held-to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Company has the positive intent and ability to hold to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

##### **Impairment of financial assets**

Financial assets carried at amortised cost and FVOCI are assessed for indicators of impairment at each reporting end date.

The expected credit losses associated with these assets are estimated on a forward-looking basis. A broad range of information is considered when assessing credit risk and measuring expected credit losses, including past events, current conditions, and reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

#### 1.6 Financial liabilities

Financial liabilities comprise loans and related transaction costs from financial organisations and from Group Companies and are recognised under the contracts entered into from the drawdown date of the loan. They are classified as 'borrowings' and are initially measured at fair value, being the amount for which the financial liability could be settled between knowledgeable, willing parties. After initial recognition financial liabilities comprising borrowings are measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest payable over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including transaction costs) through the expected life of the financial liability, or, where appropriate, a shorter period.

##### **Derecognition of financial liabilities**

Financial assets and financial liabilities are derecognised when the obligation specified is discharged, cancelled or expires. This will occur on maturity or earlier repayment.

#### 1.7 Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.



# INTRALOT FINANCE UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 1 Accounting policies

(Continued)

#### 1.8 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are classified as current.

#### 1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### Current tax

Current tax is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

#### 1.10 Foreign exchange

The Company financial statements are presented in euros, which is the Company's functional and presentational currency.

Transactions in foreign currencies are recorded at the functional currency rates of exchange prevailing at that date. Any gain or loss arising from a change in exchange rate subsequent to the date of the transaction is included as an exchange gain or loss in the statement of comprehensive income. The exchange rate at the period end was £1 : €1.190 (2020: €1.112).

### 2 Revenue

	2021	2020
	€	€
<b>Other significant revenue</b>		
Interest income	45,064,465	51,127,769

### 3 Operating loss

	2021	2020
	€	€
Operating loss for the year is stated after charging/(crediting):		
Fees payable to the Company's auditor for the audit of the Company's financial statements	34,025	-

# INTRALOT FINANCE UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 4 Employees

The average monthly number of persons (including directors) employed by the Company during the year was:

	2021 Number	2020 Number
	-	1

### Employment costs

	2021 €	2020 €
Wages and salaries	-	32,860
Social security costs	-	4,000
	-	36,860

### 5 Directors' remuneration

	2021 €	2020 €
Remuneration for qualifying services	-	32,860

### 6 Investment income

	2021 €	2020 €
<b>Interest income</b>		
Bank deposits	-	703
Other interest income on financial assets	45,064,465	51,127,066
Total interest revenue	45,064,465	51,127,769

Interest receivable from loans to Group and other Companies within the Eurozone is calculated at rates between 6.75% and 8.45%. Interest receivable from loans to Group Companies outside the Eurozone is calculated at rates between 8.01% and 8.45%.

Bank interest receivable is based on variable rates achievable as the Company places excess funds on deposit.

# INTRALOT FINANCE UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 7 Finance costs

	2021 €	2020 €
Interest and charges on bank accounts and loans	13,437	12,522
Interest and charges on loans from Group Companies	42,765,167	48,744,330
Total interest expense	42,778,604	48,756,852
Exchange differences on financing transactions	18,534	(1,382)
	42,797,138	48,755,470

Interest on amounts payable to Group Companies is charged at rates between 6.22% and 8.02% per annum.

### 8 Other gains and losses

	2021 €	2020 €
Other gains and losses	-	14,882,841

On 30th June 2020 the Company acquired the assets and liabilities of 2 fellow subsidiaries, Ilot Capital UK Ltd and Ilot Investments UK Ltd, prior to their closure. The assets and liabilities consisted of loans to and from other group companies and bank balances. The Company also met the corporation tax liabilities of these companies. The net gain on these transactions is shown above.

### 9 Income tax expense

	2021 €	2020 €
<b>Current tax</b>		
UK corporation tax on profits for the current period	409,350	378,352
<b>Deferred tax</b>		
Decrease in deferred tax on losses	-	16,551
<b>Total tax charge</b>	409,350	394,903

# INTRALOT FINANCE UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 9 Income tax expense

(Continued)

##### Factors affecting the tax charge for the year

	2021 €	2020 €
Profit before taxation	2,098,632	16,987,581
Expected tax charge based on a corporation tax rate of 19.00% (2020: 19.00%)	398,740	3,227,640
Income not taxable	-	(2,827,740)
Foreign exchange differences	10,610	(4,997)
<b>Taxation charge for the year</b>	<b>409,350</b>	<b>394,903</b>

#### 10 Investments

	Current		Non-current	
	2021 €	2020 €	2021 €	2020 €
Loans to associates	13,112,164	182,737,991	470,107,758	518,770,085
Listed investments	-	-	627	54,677
	<u>13,112,164</u>	<u>182,737,991</u>	<u>470,108,385</u>	<u>518,824,762</u>

##### Fair value of financial assets carried at amortised cost

The directors consider that the carrying amounts of financial assets carried at amortised cost in the financial statements approximate to their fair values.

# INTRALOT FINANCE UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 10 Investments

(Continued)

Trade and other receivables consists of the unamortised element of expenses incurred in relation to a €482.3m bond acquired from fellow subsidiary, Intralot Capital Luxembourg SA. The expenses are to be amortised over the term of the facility.

Available-for sale assets carried at fair value relate to the holding of shares in Attica Bank SA. The cost of shares held was €996,982 and the loss on revaluation is shown in the revaluation reserve.

Loans to Group and associated Companies carried at amortised cost comprises loans made to the Company's parent company, Intralot SA, and 7 (2020: 9) fellow subsidiaries:

Intralot SA, a zero coupon bond loan of €160,736,708 (2020: € 188,497,712) repayable by 15 September 2024 with an effective interest rate of 6.93%; a zero coupon bond loan of €20,192,910 (2020: €23,680,448) repayable by 14 September 2024 with an effective interest rate of 6.93%; a zero coupon bond loan of €20,192,910 (2020: €23,680,448) repayable by 14 September 2024 with an effective interest rate of 6.93%; a zero coupon bond loan fully repaid in the year (2020: €9m); a zero coupon bond loan fully repaid in the year (2020: €3m); a zero coupon bond loan fully repaid in the year (2020: €3m); a zero coupon bond loan of €7m (2020: €7m) repayable by 15 September 2024 with an effective interest rate of 7.3%; a zero coupon bond loan of €5m (2020: €5m) repayable by 15 September 2024 with an effective interest rate of 7.58%; a zero coupon bond loan fully repaid in the year (2020: €19,173,713); and a zero coupon bond loan of €3.25m (2020: €nil) repayable by 15 September 2024 with an effective interest rate of 6.74%.

Intralot Holdings International Ltd, an original loan amount of €42,681,743 (2020: €18,397,732) repayable by 15 September 2024 with interest charged at 6.75%. Intralot International Ltd, an original loan amount of €35,672,065 (2020: €34,135,262) repayable by 15 September 2024 with interest charged at 8.01%. Intralot Operations Ltd, an original loan amount of €48,591,442 (2020: €47,503,895) repayable by 15 September 2024 with interest charged at 8.01%. Intralot Global Holdings BV, an original loan amount of €16,020,683 (2020: €9,945,875) repayable by 15 September 2024 with interest charged at 6.75%, and an original loan amount of €18,759,816 (2020: €19,799,816) repayable by 15 September 2024 with interest charged at 6.75%. Intralot Inc, fully repaid during the year (2020: €24,993,721). Intralot Global Operations BV, an original loan amount of €57,692,383 (2020: €54,445,150) repayable by 15 September 2024 with interest charged at 8.01%. Intralot Chile Spa, an original loan amount of €264,159 (2020: €1,210,225) repayable by 15 September 2024 with interest charged at 8.01%.

During the year, as part of a group loan restructuring program, a loan to Intralot Holdings International Ltd of €165,676,228 (2020: €165,676,228) was fully repaid, via a €162,200,000 set off with a €242,061,160 loan from Intralot Capital Luxembourg SA, and the remaining €3,476,228 plus interest of €11,445,229 being transferred to the €42,681,743 Intralot Holdings International Ltd loan detailed above.

#### 11 Trade and other receivables

	Current 2021 €	2020 €	Non-current 2021 €	2020 €
Amounts owed by fellow group undertakings	21,486,462	7,798,353	-	-
Other receivables	1,673,282	730	2,859,375	6,204,479
	<u>23,159,744</u>	<u>7,799,083</u>	<u>2,859,375</u>	<u>6,204,479</u>

Other receivables includes €1,672,552 current and €2,859,375 non-current deferred charges in relation to a €482,274,431 loan facility from Intralot Capital Luxembourg SA repayable by 15 September 2024. The total charges were €11,694,115 and are being amortised over the term of the loan.

# INTRALOT FINANCE UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 12 Borrowings

	Current 2021 €	2020 €	Non-current 2021 €	2020 €
<b>Borrowings held at amortised cost:</b>				
Bank overdrafts	17	-	-	-
Loans from fellow group undertakings	8,280,034	190,113,291	479,330,766	516,992,193
	<u>8,280,051</u>	<u>190,113,291</u>	<u>479,330,766</u>	<u>516,992,193</u>

Amounts owed to group undertakings represents facility agreements with 1 (2020: 1) fellow subsidiary, Intralot Capital Luxembourg SA: A €482,274,431 facility at an interest rate of 6.22% with interest payable every 6 months and capital repayable by 15 September 2024, of which the Company has utilised an original drawdown of €444,613,003 (2020: €482,274,431); a €20m facility at an interest rate of 6.22% with interest payable every 6 months and capital repayable by 15 September 2024, of which the Company has utilised an original drawdown of €14,469,479 (2020: €14,469,479); a €3m facility at an interest rate of 6.22% with interest payable every 6 months and capital repayable by 15 September 2024, of which the Company has utilised an original drawdown of €3m (2020: €3m); a €20m facility at an interest rate of 6.22% with interest payable every 6 months and capital repayable by 15 September 2024, of which the Company has utilised an original drawdown of €14,248,284 (2020: €14,248,284); and a €3m facility at an interest rate of 6.22% with interest payable every 6 months and capital repayable by 15 September 2024, of which the Company has utilised an original drawdown of €3m (2020: €3m).

A number of facility agreements with Intralot Capital Luxembourg SA were fully repaid in the year via set offs with loans to Intralot SA and Intralot Holdings International Ltd as part of a group loan restructuring program: A €242,061,160 facility of which the Company had utilised an original drawdown of €171,447,698 (2020: €171,447,698); a fully drawn down facility of €4,194,115 (2020: €4,194,115); and a fully drawn down facility of €1,732,429 (2020: €1,732,429). Additionally, €39,825,758 of the €482,274,431 facility listed above was also repaid via set off as part of the same program.

The carrying amount of financial liabilities at amortised cost of €497,348,576 (2020: €715,303,622) is considered a reasonable approximation of fair value.

### 13 Trade and other payables

	2021 €	2020 €
Amounts owed to fellow group undertakings	9,574,188	7,797,810
Accruals	54,562	21,976
	<u>9,628,750</u>	<u>7,819,786</u>

### 14 Share capital

	2021 Number	2020 Number	2021 €	2020 €
<b>Ordinary share capital</b>				
<b>Authorised</b>				
Ordinary shares of £1 each each	50,000	50,000	54,649	54,649
<b>Issued and fully paid</b>				
Ordinary shares of £1 each each	50,000	50,000	54,649	54,649

# INTRALOT FINANCE UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 15 Revaluation reserve

	2021 €	2020 €
At the beginning of the year	(942,305)	(904,685)
Fair value adjustment - investments	(54,050)	(37,620)
At the end of the year	(996,355)	(942,305)

### 16 Risk management

The Company is aware of the need to manage carefully its exposure to foreign currency risk, interest rate risk, credit risk and liquidity risk. It adopts conservative policies to minimise and monitor these risks. The key risk of non-repayment from fellow subsidiaries is managed by continued monitoring of the Group performance and market conditions as they impact the Group. The following are the Company's consideration of its significant risks.

#### Credit Risk

The Company does not have significant credit risk concentration because it mostly only lends to other Group companies and all loans are guaranteed by its parent, Intralot SA. The maximum exposure of credit risk amounts to the aggregate values presented in the balance sheet. In order to minimize the potential credit risk exposure arising from cash and cash equivalents, the Company sets limits regarding the amount of credit exposure to any financial institution and deals with well established financial institutions of high credit standing. There are no financial assets that are past due or impaired.

#### Interest Rate Risk

The Company's interest rate risk arises from borrowings and loans to other Group companies. Loans to other Group companies include a condition to retrospectively amend rates if the cost of borrowing changes. For this reason, if interest rates had been 50 basis points higher/lower and all other variables were held constant profit/(loss) for the year would not have been significantly different.

#### The Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The capital structure of the Company consists of net debt (borrowings as detailed in note 12 offset by cash and bank balances) and equity (comprising issued capital, reserves and retained earnings as detailed in notes 14 and 15). Capital management requirements are imposed by its parent, Intralot SA. The Company is not subject to any externally imposed capital requirements.

### 17 Related party transactions

During the year transactions took place between the Company, its ultimate parent undertaking, its immediate parent undertaking and fellow subsidiaries.

Aggregated transactions with related parties were loan interest and other finance charges receivable of €45,064,465 (2020: €51,127,066) and loan interest and other finance charges payable of €42,765,167 (2020: €48,744,330). The amount due from the ultimate parent company, Intralot SA, at the balance sheet date was €250,425,470 (2020: €308,338,410) being bond loans of €216,372,527 (2020: €282,032,321), and €34,052,943 (2020: €26,306,089) accrued interest and other finance charges receivable. A balance of €1,557,964 (2020: €1,871,266) was due to Intralot SA at the balance sheet date.

Loan and other balances totalling €495,627,024 (2020: €713,032,029) were due to fellow subsidiaries at the balance sheet date.

# INTRALOT FINANCE UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 17 Related party transactions

(Continued)

Additional loans of €3,882,925 (2020: €32,878,500) were provided to related parties, €36,765,364 (2020: €75,624,000) was repaid; €25,136,631 (2020: €14,572,887) of unpaid interest was added to the loan principals; and €197,422,625 (2020: €30,801,916) was transferred between Group companies. The amount due from fellow subsidiaries at the balance sheet date was €254,280,916 (2020: €400,968,019) including €34,598,625 (2020: €24,860,116) of accrued interest and other finance charges receivable. These loans are repayable on demand, however, the Company has no intention to call in the loans until their maturity date. Loans that mature within more than one year have therefore been disclosed as non-current assets. All loans receivable from other Group Companies are guaranteed by the parent company, Intralot SA.

### 18 Controlling party

The immediate parent company is Intralot Global Holdings B.V., a company incorporated in the Netherlands. The ultimate parent company is Intralot SA, a company incorporated in Greece. Intralot SA prepare consolidated accounts for the Group and its registered office is 19 km, Markopoulou Ave., 19 002 Peania - Attica, Greece. These consolidated accounts are available at the Ministry of Commerce in Greece.

### 19 Cash absorbed by operations

	2021 €	2020 €
Profit for the year before income tax	2,098,632	16,987,581
<b>Adjustments for:</b>		
Finance costs	42,797,138	48,755,470
Investment income	(45,064,465)	(51,127,769)
Other gains and losses	-	(14,882,841)
<b>Movements in working capital:</b>		
Increase/(decrease) in trade and other payables	32,586	(20,148)
<b>Cash absorbed by operations</b>	<u>(136,109)</u>	<u>(287,707)</u>