



HELLENIC LOTTERIES S.A.

Member of OPAP Group of companies  opap

# REMUNERATION REPORT 2021



## Contents

|  |   |
|--|---|
| 1. Introduction.....   | 2 |
| 2. Total remuneration of BoD members .....   | 3 |
| 3. Remuneration in shares, and/ or options .....                                     | 5 |
| 4. Use of the right to reclaim.....  | 5 |
| 5. Compliance with Remuneration Policy and application of performance criteria ..... | 5 |
| 5.1. Remuneration Policy .....   | 5 |
| 5.2. BoD Member remuneration .....   | 5 |
| 5.2.1. Fixed Remuneration .....  | 5 |
| 5.2.2. Variable Remuneration .....   | 5 |
| 6. Derogations & deviations from the Remuneration Policy .....                       | 6 |
| 7. Comparative information on the change of remuneration and company performance..   | 6 |

## 1. Introduction

This annual Remuneration Report (hereinafter "the Report") has been prepared in accordance with the provisions of Law 4548/2018, Article 112, in line with the Commission's Guidelines (hereinafter "Guidelines") regarding the standardised presentation of the Remuneration Report under Directive 2007/36/EC, as amended by Directive (EU) 2017/828 as regards the encouragement of long-term shareholder engagement. It provides an overview of the remuneration model of "Hellenic Lotteries S.A." (hereinafter "Company"), as it reflects the total remuneration of the members of the Board of Directors (hereinafter "BoD"), explaining how the Company's Remuneration Policy (hereinafter "the Policy") was applied in financial year 2021.

The Policy was prepared by the People Team and approved by the BoD, by virtue of article 13 paragraph 5 of the Company's Articles of Association. The final Policy was approved in accordance with the decision of the Extraordinary General Assembly of the Company's Shareholders (hereinafter "EGM"), which took place on 30.12.2019 and will remain in place for four (4) financial years since the approval, unless the AGM approves a new policy during this period.

Both the Report, as well as the Company's Policy have been prepared and established in compliance with the Company's obligations deriving from the "Concession Agreement for the exclusive right to produce, operate, circulate, promote and manage the State Lotteries" which was concluded between the Company and Hellenic Republic Asset Development Fund (HRADF) on 30.07.2013. More specifically, clause 14.2 of the abovementioned Concession Agreement provides that the Company shall comply with the requirements of the law on Sociétés Anonymes (at that time Codified Law [C.L.] 2190/1920, the provisions of which have been repealed by Law 4548/2018 on Societes Anonymes currently in force), including the provisions thereof in relation to listed companies, among which, articles 110-112 of Law 4548/2018 on the Remuneration Policy and the Remuneration Report.

The Company, which is a member of the OPAP Group, operates through a wide sales network of more than 15,000 points of sale in Greece. During 2021, it launched eleven (11) new scratch games, continuing to actively invest in its portfolio by offering even more options to players.

For the financial year 2021, the Company reported increased Revenue (GGR) by 16.4% compared to the previous year, amounting to € 88,833 th. (2020: € 76,349 th.) and the Loss after Tax for the year 2021 amounted to € 29,798 th. while the previous year Loss after Tax was € 36,270 th..

No event occurred during the year, in the Company's business environment affecting the directors' remuneration.

No derogation from the Policy occurred during financial year 2021.

The BoD composition was amended twice during the year 2021. Firstly, based on BoD Decision dated 28.06.2021 that accepted the resignation of the executive BoD member Mr. D. Andriotis and his replacement by Mr. V. Karantinos and secondly based on the BoD decision dated 15.12.2021 that accepted the resignation of Mr. V. Karantinos.

The Report is available at the Company's corporate website (<https://www.hellenic-lotteries.gr/en>) for a period of ten years following the AGM. The Company may keep the Report available at its website for a period longer than ten (10) years, provided that it no longer contains the personal data of the BoD members and without prejudice to the provisions of the EU General Data Protection Framework.

## **2. Total remuneration of BoD members**

Table 1 below, was compiled in order to provide a clear and comprehensive presentation of all remuneration granted or paid to the Company's BoD members for the financial years 2021 and 2020.

Apart from the following, no further remuneration or compensation was granted or paid in any way within financial year 2021 to the BoD members, under any form.

All remuneration is presented in gross amounts.

**Table 1 - Remuneration of BoD members of the Company for financial years 2021 & 2020 (Gross amounts in €)**

| Name of Director, Position                            | Year | 1<br>Fixed Remuneration |          |                 | 2<br>Variable Remuneration |                       | 3<br>Extraordinary items | 4<br>Pension expense | 5<br>Total remuneration | 6<br>Proportion of fixed and variable remuneration |  |
|---|------|-------------------------|----------|-----------------|----------------------------|-----------------------|--------------------------|----------------------|-------------------------|--|--|
|   |      | Base salary             | Fees     | Fringe Benefits | One - year variable        | Multi - year variable |                          |                      |                         |  |  |
| Jan KARAS   | 2021 |                         | 9,600.00 |                 |                            |                       |                          | 9,600.00             | 100%                    |  |  |
| Chairman - CEO - Executive BoD Member from 01.06.2020 | 2020 |                         | 8,160.00 |                 |                            |                       |                          | 8,160.00             | 100%                    |  |  |
| Damian COPE   | 2021 |                         | 0.00     |                 |                            |                       |                          | 0.00                 |                         |  |  |
| CEO - Executive BoD Member up to 31.05.2020           | 2020 |                         | 4,000.00 |                 |                            |                       |                          | 4,000.00             | 100%                    |  |  |
| Spyridon FOKAS  | 2021 |                         | 9,600.00 |                 |                            |                       |                          | 9,600.00             | 100%                    |  |  |
| Vice Chairman - Non-Executive BoD Member              | 2020 |                         | 9,600.00 |                 |                            |                       |                          | 9,600.00             | 100%                    |  |  |
| Pavel MUCHA   | 2021 |                         | 9,600.00 |                 |                            |                       |                          | 9,600.00             | 100%                    |  |  |
| Executive BoD Member                                  | 2020 |                         | 9,600.00 |                 |                            |                       |                          | 9,600.00             | 100%                    |  |  |
| Kamil ZIEGLER   | 2021 |                         | 9,600.00 |                 |                            |                       |                          | 9,600.00             | 100%                    |  |  |
| Non-Executive BoD Member                              | 2020 |                         | 9,600.00 |                 |                            |                       |                          | 9,600.00             | 100%                    |  |  |
| Odysseas CHRISTOFOROU                                 | 2021 |                         | 9,600.00 |                 |                            |                       |                          | 9,600.00             | 100%                    |  |  |
| Non-Executive BoD Member                              | 2020 |                         | 5,600.00 |                 |                            |                       |                          | 5,600.00             | 100%                    |  |  |
| Dimitrios ANDRIOTIS                                   | 2021 |                         | 4,800.00 |                 |                            |                       |                          | 4,800.00             | 100%                    |  |  |
| Executive BoD Member from 25.02.2020 up to 28.06.2021 | 2020 |                         | 8,160.00 |                 |                            |                       |                          | 8,160.00             | 100%                    |  |  |
| Fotis ZISSIMOPOULOS                                   | 2021 |                         | 9,600.00 |                 |                            |                       |                          | 9,600.00             | 100%                    |  |  |
| Executive BoD Member                                  | 2020 |                         | 9,600.00 |                 |                            |                       |                          | 9,600.00             | 100%                    |  |  |
| James Edward BUNITSKY (1)                             | 2021 |                         |          |                 |                            |                       |                          |                      |                         |  |  |
| Non-Executive BoD Member                              | 2020 |                         |          |                 |                            |                       |                          |                      |                         |  |  |
| Michael CONFORTI (1)                                  | 2021 |                         |          |                 |                            |                       |                          |                      |                         |  |  |
| Non-Executive BoD Member                              | 2020 |                         |          |                 |                            |                       |                          |                      |                         |  |  |
| Aspasia TOPALIDOU                                     | 2021 |                         |          |                 |                            |                       |                          |                      |                         |  |  |
| Non-Executive BoD Member up to 25.02.2020             | 2020 | 13,000.00               | 1,440.00 | 332.00          |                            |                       |                          | 14,772.00            | 100%                    |  |  |
| Emmanuel EFTHYMIOU                                    | 2021 |                         |          |                 |                            |                       |                          |                      |                         |  |  |
| Executive BoD Member up to 25.02.2020                 | 2020 |                         | 1,440.00 |                 |                            |                       |                          | 1,440.00             | 100%                    |  |  |
| Vaios Karantinos                                      | 2021 |                         | 4,400.00 |                 |                            |                       |                          | 4,400.00             | 100%                    |  |  |
| Executive BoD Member from 28.06.2021 up to 15.12.2021 | 2020 |                         |          |                 |                            |                       |                          |                      |                         |  |  |

(1) Resigned from DoD fee

### 3. Remuneration in shares, and/ or options

The Company did not grant to the BoD members any remuneration in stock options and stock awards during the financial year 2021.

There were no share options exercised by the BoD during the financial year 2021.

### 4. Use of the right to reclaim

No reclaim right (recover) variable remuneration was exercised during the financial year 2021.

## 5. Compliance with Remuneration Policy and application of performance criteria

### 5.1. Remuneration Policy

The Company's Policy applies to the remuneration of all BoD members for their participation in the Board and is designed to reflect fairness in the context of pay conditions to all employees and align Board remuneration with the interests of the Company's shareholders. The objective of the Remuneration Policy is therefore to meet market practice, to serve the Company's strategic vision, its shareholders, clients and wider stakeholders. With this in mind, the Policy which reflects the principles of OPAP's Remuneration Policy, is based on the following principles:

- Transparency
- Alignment of interests between shareholders and management
- Attraction and retention of the right people

All remuneration is subject to social security, tax, Special Tax Levy (STL) and stamp tax withholdings.

### 5.2. BoD Member remuneration

#### 5.2.1. Fixed Remuneration

##### 5.2.1.1 Fees for participation in BoD meetings

Each BoD member (with the exception of two members who have resigned from BoD fee) received a fixed annual fee as depicted in the relevant table (below the cap of € 12,000 provided in the Remuneration Policy). To receive 100% of Board fees, full meeting attendance is required. For attendance below 70%, Board fees are reduced proportionally. No such case occurred during 2021. Expenses such as travel and accommodation in relation to Board and Committee meetings, as well as relevant expenses, did not occur in 2021.

##### 5.2.1.2 Fringe Benefits

During the financial year 2021 and in line with the approved Policy, the BoD Members were not entitled to any kind of benefits.

#### 5.2.2. Variable Remuneration

For the financial year 2021, the Executive BoD Members did not receive any variable remuneration.

## **6. Derogations & deviations from the Remuneration Policy**

No derogations or deviations from the Policy were identified during the reported financial year.

## **7. Comparative information on the change of remuneration and company performance**

Table 2 below, depicts the annual change of the last five financial years in the remuneration of BoD members, in the performance of the Company, as well as in the average remuneration of the Company's employees except the BoD members, in full – time equivalent.

It is noted that the BoD members Messrs. D. Cope and E. Efthimiou and Mrs. A. Topalidou are not included in table 2 below since their term finished during 2020.

**Table 2 - Comparative table over the remuneration and Company performance**

|  | 2018 vs 2017 |                | 2019 vs 2018 |                | 2020 vs 2019 |                | 2021 vs 2020 |                | Financial Year 2021 |
|--|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|---------------------|
|  | Amount (€)   | Percentage (%) | Amount (€)   | Percentage (%) | Amount (€)   | Percentage (%) | Amount (€)   | Percentage (%) | Amount (€)          |
| <b>Director's remuneration</b>   |              |                |              |                |              |                |              |                |                     |
| Jan KARAS<br>Chairman - CEO - Executive BoD Member from 01.06.2020                             |              |                |              |                | 8,160.00     |                | 1,440.00     | 17.6%          | 9,600.00            |
| Spyridon FOKAS<br>Vice Chairman - Non-Executive BoD Member                                     |              |                |              |                |              |                | 0.00         | 0.0%           | 9,600.00            |
| Pavel MUCHA<br>Executive BoD Member  |              |                | 2,426.67     |                | 7,173.33     | 295.6%         | 0.00         | 0.0%           | 9,600.00            |
| Kamil ZIEGLER<br>Non-Executive BoD Member  |              |                |              |                |              |                | 0.00         | 0.0%           | 9,600.00            |
| Odysseas CHRISTOFOROU<br>Non-Executive BoD Member  |              |                |              |                | 5,600.00     |                | 4,000.00     | 71.4%          | 9,600.00            |
| Dimitrios ANDRIOTIS<br>Executive BoD Member from 25.02.2020 up to 28.06.2021                   | -693.33      | -11.3%         | -5,466.67    | -100.0%        | 8,160.00     |                | -3,360.00    | -41.2%         | 4,800.00            |
| Fotis ZISSIMOPOULOS<br>Executive BoD Member  | 320.00       |                | 9,280.00     | 2900.0%        |              |                | 0.00         | 0.0%           | 9,600.00            |
| Vaios Karantinos<br>Executive BoD Member from 28.06.2021 up to 15.12.2021                      |              |                |              |                |              |                | 4,400.00     |                | 4,400.00            |
|  | 2018 vs 2017 |                | 2019 vs 2018 |                | 2020 vs 2019 |                | 2021 vs 2020 |                | Financial Year 2021 |
|  | Amount (€)   | Percentage (%) | Amount (€)   | Percentage (%) | Amount (€)   | Percentage (%) | Amount (€)   | Percentage (%) | Amount (€)          |
| <b>Company's performance (Amounts in € '000)</b>   |              |                |              |                |              |                |              |                |                     |
| <b>Financial Metric A_GGR (Revenue)</b>  | -6,748       | -4.2%          | -4,690       | -3.1%          | -71,129      | -48.2%         | 12,485       | 16.4%          | 88,833              |
| <b>Financial Metric B_EBITDA</b>   | -585         | -2.0%          | -4,483       | -15.4%         | -52,396      | -213.0%        | 23,910       | -86.0%         | -3,887              |
| <b>Financial Metric C_NET INCOME</b>   | -9,969       | -61.2%         | -4,593       | -72.7%         | -37,992      | -2206.3%       | 6,472        | -17.8%         | -29,798             |
| <b>Average remuneration on a full - time equivalent basis of employees (Amounts in € '000)</b> |              |                |              |                |              |                |              |                |                     |
| <b>Employees of the Company</b>  | 2.9          | 4.5%           | 4.2          | 6.2%           | 44.2         | 61.5%          | -0.1         | -0.1%          | 116                 |

Finally, as far as the requirement of the article 112, par. 3, L.4548/2018 is concerned, it is mentioned that the Remuneration Report for the year 2021 was voted in favor by all the shareholders (100%) who participated at the Company's AGM dated 30.06.2021.