LOTTOMATICA

Interim Management report as of and for the three months ended 31 March 2025

LOTTOMATICA GROUP S.p.A.

Via degli Aldobrandeschi 300
00163 ROME (RM)

Share capital Euro 10,000,000.00
(fully paid up)

Tax Code 11008400969
Rome Business Register No. RM – 1694552

www.lottomaticagroup.com

Contents

Corporate bodies and external auditor

Board of Directors	
Andrea Moneta	Chairman
Guglielmo Angelozzi	Chief Executive Officer
John Paul Maurice Bowtell	Director
Michele Rabà	Director (b)
Michael Ian Saffer	Director
Yulia Shakhova	Director
Catherine Renee Anne Guillouard	Director (a) (d)
Augusta Iannini	Independent Director* (a) (c)
Gaia Mazzalveri	Independent Director* (a) (c)
Marzia Mastrogiacomo	Independent Director* (b) (d)
Nadine Farida Faruque	Independent Director* (b) (c) (d)

Appointed by the Shareholders' Meeting on 27 February 2023 until the approval of the financial statements as of 31 December 2025.
* Independent director pursuant to Article 147-ter, paragraph 4, and Article 148, paragraph 3, of the TUF and Article 2 of the Corporate Governance Code.
(a) Control and Risks Committee member.
(b) Appointments and Remuneration Committee member.
(c)) Related parties Committee member.
(d) ESG Committee member.

Board of Statutory Auditors	
Andrea Lionzo	Chairman
Giancarlo Russo Corvace	Auditor
Veronica Tibiletti	Auditor
Angela Frisullo	Alternative Auditor
Alberto Incollingo	Alternative Auditor

Appointed by the Shareholders' Meeting on 15 March 2023 and took office on 3 May 2023 until the approval of the financial statements as of 31 December 2025.

Independent External Auditors	PricewaterhouseCoopers S.p.A.

Interim management report

Corporate information

Lottomatica Group S.p.A. (hereinafter "**Lottomatica Group**" or the ''**Company**'' and together with its subsidiaries the ''**Group**''), was incorporated on 15 October 2019 on behalf of funds managed by Apollo Management IX, L.P. The Company is domiciled in Italy, with registered offices in Rome, Via degli Aldobrandeschi, 300, organized under the laws of the Republic of Italy. The Company's ultimate controlling entity is Apollo Management, L.P., a limited company incorporated under the laws of the State of Delaware (USA). The Company is listed on Euronext Milan, a regulated market organized and managed by Borsa Italiana S.p.A., since 3 May 2023.

It should be noted that, on 24 April 2024, GBO S.p.A. completed the acquisition of 100% of the share capital of SKS365 Malta Holdings Limited (merged into GBO S.p.A. during the 2025) for a consideration of Euro 621.5 million (the "**SKS365 Acquisition**"), following the customary regulatory and competition approvals. The company was consolidated starting from 30 April 2024. It is also noted that, SKS365 Malta Limited, a subsidiary of SKS365 Malta Holdings Limited, was renamed to PWO Limited (now PWO S.p.A., hereinafter **"PWO"**) following the acquisition.

The information in this interim management report refers to the three months ended 31 March 2025 and 2024. It is recalled that the first consolidation of PWO took place on 30 April 2024 and, therefore, all financial information and business-related information (i.e., bet, number of points of sales, rights, etc.) presented in this report do not include its contribution for the three months ended 31 March 2024.

1. Overview

The Group is the largest player in the Italian gaming market[1], with Euro 11.2 billion in bets collected (of which Euro 1.7 billion related to PWO) and Euro 585.7 million in Revenues for Reportable Segment (of which Euro 86.1 million related to PWO) recorded during the three months ended 31 March 2025, through a network of 4,024[2] betting rights (of which 1,003 related to PWO), 26 horse-race betting rights, 19,831 VLT rights, 68,022 NOE AWP operating permits and 43,913 owned AWPs[3] and a network of around 17,597 points of sale of which 131 managed directly as of 31 March 2025.

The Group has the following operating segments: **Online, Sports Franchise and Gaming Franchise**, as described below.

[1] Based on revenues.
[2] Including 8 betting rights of Ricreativo B S.p.A..
[3] The figure as of 31 March 2025 does not consider AWP machines that the group holds in inventory.

1.1. Online

The Group's Online activity comprises the offer of a wide range of online games through the **GoldBet.it, Better.it, Lottomatica.it, Betflag.it, Totosì.it** and **Planetwin365.it** websites, as follows:

- **iSports**: sports betting, virtual betting and horse betting;
- **iGaming**: online casino games;
- **other online products**: such as bingo, poker, betting exchange and skill games.

The Online segment generated bets of Euro 7,363.5 million (of which Euro 1,467.9 million related to PWO) for the three months ended 31 March 2025, an increase compared to Euro 5,054.9 million for the three months ended 31 March 2024.

1.2. Sports Franchise

The Group's Sports Franchise activity consists in the collection of **sports betting, virtual betting and horserace betting** through a franchise network of 3,769 operating PoS (of which 921 related to PWO) as of 31 March 2025, through **GoldBet, Intralot**, **Better and Planetwin365** brands. The Sports Franchise segment generated bets of Euro 1,046.3 million for the three months ended 31 March 2025 (of which Euro 221.4 million related to PWO) compared to Euro 822.0 million for the three months ended 31 March 2024.

1.3. Gaming Franchise

The Group's Gaming Franchise business comprises **direct management of gaming halls and concession activities for VLTs and AWPs**, managed according to different types of business models depending on the level of integration in the value chain. These business models range from the sole interconnection of machines prescribed by the concession to the ownership and management of the machines and the gaming halls. As of 31 March 2025, the Group's Gaming Franchise business included 18,371 operative VLTs and 63,145 operative AWPs. For the three months ended 31 March 2025, there were 131 gaming halls under direct management of the Group, which leveraged the Group's proprietary distribution formats and brands.

The Gaming Franchise segment generated bets of Euro 2,769.5 million for the three months ended 31 March 2025, compared to Euro 2,856.9 million for the three months ended 31 March 2024. The following paragraphs provide more specific details regarding the i) AWP, ii) VLT and iii) Retail and Street Operations product divisions.

Amusement With Prize machines (AWPs)

AWPs are relatively easy to play and offer players a good level of interaction, through the use of a graphical reel containing pictures.

The maximum cost of each single game is Euro 1.00 and each game may last between four and thirteen seconds. Any winnings must be distributed immediately after the game (only) in coins and jackpots are not permitted[4]. The machine must calculate winnings in an unpredictable way over a cycle of a maximum of 140,000 games.

Video Lottery Terminals (VLTs)

VLTs are similar to slot machines, except that they are connected to a centralized computer system that determines the outcome of each wager by using a random number generator located inside the terminal.

Relevant legislation requires that bet per game may range from a minimum of Euro 0.50 to a maximum of Euro 10.00, with payouts of up to Euro 5,000.00 as well as the chance to win jackpots of up to Euro 500,000.00[5]. The Group currently offers four VLT platforms (Spielo, Novomatic, Inspired and WMG).

Management of owned gaming halls and AWPs (Retail and Street Operations)

Since 2012, the Group has pursued a strategy of vertical integration involving the direct management of owned gaming halls ("Retail"), with such business being subsequently supplemented by direct management of owned AWPs ("Street Operations"). As of 31 March 2025, the Group directly manages 131 halls and 43,913 owned AWPs[6].

2. Alternative performance measures

This document includes, in addition to the financial measures provided by International Financial Reporting Standards (IFRS), several measures derived from the latter even if not defined by IFRS (hereinafter the "**Non-GAAP Measures**") which are presented in accordance with the provisions of the recommendations contained in the document prepared by ESMA, No.1415 of 2015, published on 5 October 2015, as incorporated by Consob Communication 0092543 dated 3 December 2015. These measures are consistent with the approach adopted by the Group's management for monitoring business performance (as described in Note 6 to the Condensed Consolidated Interim Financial Statements) and are presented to facilitate a more comprehensive understanding of the Group's performance. They should not be considered alternatives to the measures provided by IFRS. Specifically, the Non-GAAP Measures used are as follows:

- **Revenues for Reportable Segment:** defined as consolidated revenue adjusted to include the revenue of equity accounted investments in which the Group holds an interest of more than 50%.
- **Adjusted EBITDA**: calculated as net profit for the period adjusted for: (i) income tax expense; (ii) finance income; (iii) finance expenses; (iv) share of profit/(loss) of equity accounted investments; (v) depreciation, amortization and impairments; (vi) Adjusted EBITDA, (as defined herein), of equity accounted investments in which the Group holds an interest of more than 50% (vii) costs related to

[4] By law, monetary winnings must not exceed Euro 100 for a single play and as of January 2020, the minimum pay-out is set by law at 65.0% (Law No. 160 of 27 December 2019 - the so-called "2020 Budget Law" – effective as of 1 January 2020). For details regarding the evolution of PREU flat-tax rates, see the relevant comments in the consolidated financial statements as of and for the year ended 31 December 2024.

[5] As of January 2020, the percentage of bets paid out as winnings may not be lower than 83.0% (Law No. 160 of 27 December 2019 - the so-called "2020 Budget Law" – effective as of 1 January 2020). For details regarding the evolution of PREU flat-tax rates, see the relevant comments in the consolidated financial statements as of and for the year ended 31 December 2024.

[6] The figure as of 31 March 2025, does not consider AWP machines that the Group holds in inventory.

M&A and international activities; (viii) integration costs (including expenses on corporate restructuring, redundancy and costs incurred in relation to renegotiated contracts); and (ix) other income and expenses that, in view of their nature, are not reasonably expected to recur in future periods.

- **Adjusted EBITDA Margin**: calculated as the ratio of Adjusted EBITDA divided by Revenues for the period.
- **Adjusted EBIT**: calculated as net profit for the period adjusted for: (i) income tax expense; (ii) finance income; (iii) finance expenses; (iv) share of profit/(loss) of equity accounted investments; (v) amortization of higher value of assets resulting from business combinations following the purchase price allocation process ("PPA"); and (vi) other non-recurring costs and income excluded from Adjusted EBITDA.
- **Adjusted Net Profit**: calculated as net profit for the period adjusted for: (i) amortization of higher value of assets resulting from business combinations following the PPA process; (ii) other non-recurring costs and income excluded from Adjusted EBITDA, (iii) finance income and expenses that, due to their nature, are not reasonably expected to recur in future periods, (iv) other non-monetary items recorded in finance expenses and (v) tax effects on such adjustments.
- **Adjusted Net Profit per Share**: calculated as Adjusted Net Profit divided by the outstanding number of shares of the Company.
- **Cash Capital Expenditures:** calculated as cash outflows for (i) recurring capital expenditure, (ii) concession capital expenditure and (iii) extraordinary capital expenditure related to investments for extraordinary projects and deferred consideration for the acquisition of subsidiaries and business units.
- **Operating Cash Flow:** defined as the sum of Adjusted EBITDA less (i) recurring capex and (ii) concession capex.
- **Cash Conversion Rate:** calculated as the ratio of Operating Cash Flow divided by Adjusted EBITDA.
- **Net Financial Debt:** calculated as the sum of (i) the principal amount of the notes, (ii) payables related to IFRS 16, net of (iii) cash and cash equivalents.
- **Net Financial Indebtedness – ESMA:** determined as required by Consob Communication DEM/6064293 of 28 July 2006 and amended by Consob Communication No. 5/21 of 29 April 2021 and in accordance with ESMA Recommendations contained in Guidelines 32-382-1138 of 4 March 2021 on disclosure requirements under the Prospectus Regulation.

The following table provides details of the main financial and economic indicators for the periods indicated:

(in thousands of Euro)	As of and for the three months ended 31 March 2025	As of and for the three months ended 31 March 2024*	As of and for the year ended 31 December 2024
Revenues	584,548	440,079	2,004,725
Revenues for Reportable Segment**	585,737	440,079	2,004,725
Adjusted EBITDA	220,474	149,521	706,922
Adjusted EBIT	173,030	111,838	535,648
Adjusted Net Profit	94,747	49,661	254,260
Profit for the period	51,541	29,866	103,839
Total shareholders' equity	618,072	571,140	565,503
Net Financial Indebtedness - ESMA	1,947,438	1,334,665	1,954,275
Net Financial Debt	1,804,886	1,224,143	1,872,825
Cash Capital Expenditures	(75,269)	(52,042)	(261,501)
Operating Cash Flow	184,389	110,053	556,831
Cash Conversion Rate	83.6%	73.6%	78.8%

* Figures for the three months ended 31 March 2024 have been restated following the completion of the purchase price allocation relating to Ricreativo B S.p.A..

** Includes Cristaltec group revenues of Euro 1.2 million for the three months ended 31 March 2025, consistent with the approach adopted by management to monitor the results of the operating segments.

Disclaimer

This document contains forward-looking statements (in particular in the sections headed "Foreseeable operating performance" and "Significant events occurring after the reporting date") which are subject to known and unknown risks, uncertainties, and assumptions that are difficult to predict because they relate to events and depend on circumstances that will occur in the future. Many of these risks and uncertainties relate to factors that are beyond the company's ability to control or estimate precisely, such as future market conditions, currency fluctuations, the behavior of other market participants, the actions of regulators and other factors. Therefore, the Company actual results may differ materially and adversely from those expressed or implied in any forward-looking statements. Factors that might cause or contribute to such differences include, but are not limited to, economic conditions globally, social, political, economic and regulatory developments or changes in economic or technological trends or conditions in Italy and internationally. Consequently, the Company makes no representation, whether expressed or implied, as to the conformity of the actual results with those projected in the forward-looking statements. Any forward-looking statements made by or on behalf of the Company speak only as of the date they are made.

3. Macroeconomic context

At a time of exceptionally high geopolitical uncertainty, global economic activity is showing signs of a slowdown. On 2 April, the US administration announced a drastic increase in tariffs on almost all other countries. The announcement of the new tariffs sparked a rapid and sharp correction in international financial markets: share prices recorded heavy losses, especially in the sectors most exposed to world trade.

Euro area GDP continued to rise moderately in the early months of the year, supported by the ongoing growth in consumption. In its January and March meetings, the Governing Council of the European Central Bank lowered its deposit facility rate further, by 50 basis points in total, bringing it to 2.5 per cent, 150 basis points below where it was at the peak reached in June 2024. Markets expect further cuts in interest rates during 2025.

In line with the European context, Italy's GDP increased moderately in the early months of the year. Economic activity was driven by consumption dynamics, in turn supported by stable employment and by rising wages. However, investments in capital goods remains weak, in part due to the low level of capacity utilization and to still tight credit conditions. Economic activity was supported by services; manufacturing improved slightly, but looking ahead, it may suffer from the effects of the new tariffs and, more generally, from global instability. [7]

The following table shows the key information relating to the performance of the Italian economy updated to the last quarter:

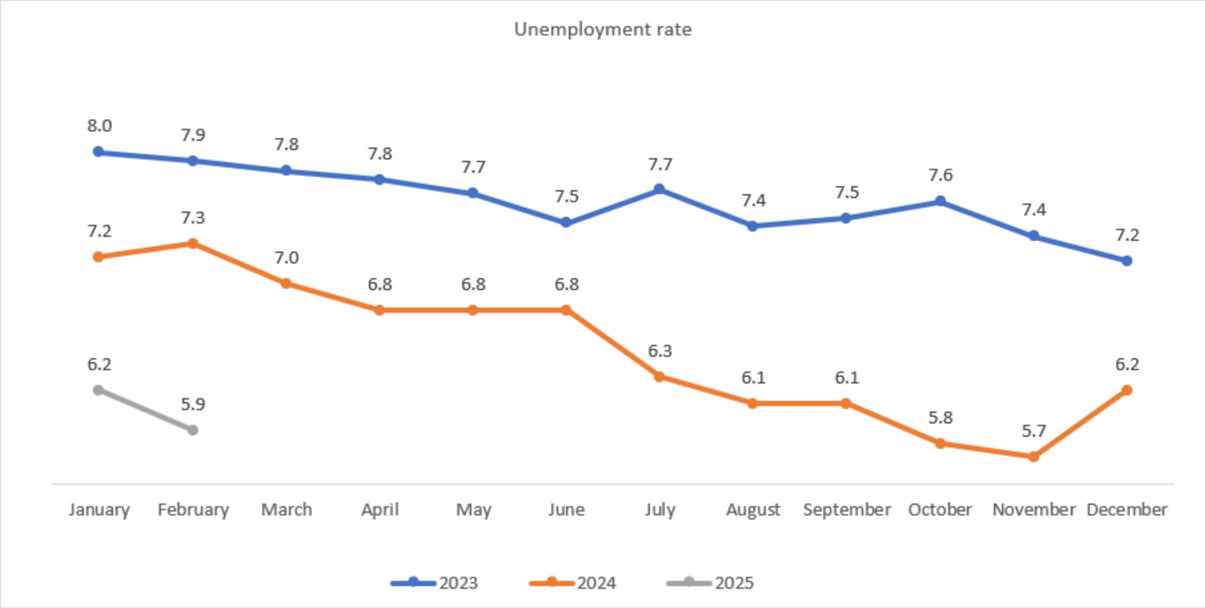
Gross Domestic Product[8]	I Q	II Q	III Q	IV Q	I Q	II Q	III Q	IV Q	I Q	II Q	III Q	IV Q	I Q
	2022	2022	2022	2022	2023	2023	2023	2023	2024	2024	2024	2024	2025
	+0.1%	+1.0%	+0.5%	-0.1%	+0.5%	+0.6%	-0.4%	+0.2%	+0.3%	+0.2%	+0.0%	+0.0%	+0.1%

As of 31 March 2025, inflation in Italy increased by 1.9%[9] on an annual basis due to the acceleration of energy prices and food prices that remain well above inflation. Core inflation, excluding energy and food, remains stable.

	As of 31 March	
	2024	2025
Inflation rate	+1.2%	+1.9%

As shown in the graph[10] below, the unemployment rate as of 28 February 2025 (latest available data) is lower than that of the same date in 2024. The number of employed people continues to increase. The dynamics of wages during 2025 has allowed the partial recovery of the purchasing power of families.

[7] Source: Bank of Italy - Economic Bulletin No. 2 – 2025.
[8] Source: Istat – Monthly note on the progress of the Italian economy – January – February 2025.
[9] Source: Istat – Press Release – Consumer Price – March 2025.
[10] Istat – Employment and Unemployment – February 2025.



4. Key events occurring during the period

With reference to key events occurring during the reporting period, see Note 11.2 to the condensed consolidated interim financial statements of the Company as of and for the three months ended 31 March 2025 (the "**Condensed Consolidated Interim Financial Statements**").

5. Evolution of gaming taxes

For information regarding the evolution of gaming taxes, see the relevant comments in Note 11.7.6 to the consolidated financial statements as of and for the year ended 31 December 2024 ("**Annual Consolidated Financial Statements**") and in Note 11.2.6 to the Condensed Consolidated Interim Financial Statements.

6. Group's economic performance

As previously indicated and for the purposes of reading this document, it should be noted that PWO has been consolidated starting from 30 April 2024.

The following table shows the Group's consolidated income statements for the three months ended 31 March 2025 and 2024:

	For the three months ended 31 March				Change	
(in thousands of Euro)	**2025**	**% of revenues**	**2024***	**% of revenues**	**(Euro)**	**%**
Revenues	584,548	100.0%	440,079	100.0%	144,469	32.8%
Other income	3,082	0.5%	3,875	0.9%	(793)	(20.5%)
Total revenues and income	**587,630**	**100.5%**	**443,954**	**100.9%**	**143,676**	**32.4%**
Cost of services	(345,634)	(59.1%)	(265,110)	(60.2%)	(80,524)	30.4%
Personnel expenses	(41,115)	(7.0%)	(26,044)	(5.9%)	(15,071)	57.9%
Other operating costs	(10,905)	(1.9%)	(8,829)	(2.0%)	(2,076)	23.5%
Depreciation, amortization and impairments	(64,932)	(11.1%)	(52,297)	(11.9%)	(12,635)	24.2%
Accruals and impairments	(9,869)	(1.7%)	(249)	(0.1%)	(9,620)	>100.0%
Net finance expenses	(37,570)	(6.4%)	(39,283)	(8.9%)	1,713	(4.4%)
Share of profit of equity accounted investments	205	0.0%	-	0.0%	205	100.0%
Profit before taxes	**77,810**	**13.3%**	**52,142**	**11.8%**	**25,668**	**49.2%**
Income tax expense	(26,269)	(4.5%)	(22,276)	(5.1%)	(3,993)	17.9%
Net profit for the period	**51,541**	**8.8%**	**29,866**	**6.8%**	**21,675**	**72.6%**
Net profit for the period attributable to non-controlling interests	1,255	0.2%	1,528	0.3%	(273)	(17.9%)
Net profit for the period attributable to the owners of the parent	**50,286**	**8.6%**	**28,338**	**6.4%**	**21,948**	**77.5%**

* Figures for the three months ended 31 March 2024 have been restated following the completion of the purchase price allocation relating to Ricreativo B S.p.A..

6.1. Revenues

The following table shows revenues by operating segment for the three months ended 31 March 2025 and 2024:

	For the three months ended 31 March				Change	
(in thousands of Euro)	**2025**	**% of revenues**	**2024**	**% of revenues**	**(Euro)**	**%**
Online	239,816	40.9%	150,395	34.2%	89,421	59.5%
Sports Franchise	150,410	25.7%	94,359	21.4%	56,051	59.4%
Gaming Franchise*	195,511	33.4%	195,325	44.4%	186	0.1%
Total Revenues for Reportable Segment	**585,737**	**100.0%**	**440,079**	**100.0%**	**145,658**	**33.1%**
Elimination of revenues from equity accounted investments	(1,189)	n.a	-	n.a	(1,189)	100.0%
Total consolidated revenues	**584,548**	**n.a**	**440,079**	**n.a**	**144,469**	**32.8%**

* Includes Cristaltec group revenues of Euro 1.2 million for the three months ended 31 March 2025, consistent with the approach adopted by management to monitor the results of the operating segments.

Online

The following table provides certain key performance indicators for the *Online* segment for the periods indicated:

	As of and for the three months ended 31 March	
	2025	2024
Unique active users*	1,332,100	863,803
Total online bet (in millions of Euro)	7,363.5	5,054.9

* Unique Active Users refers to the number of customers who have carried out, with one or more game accounts in their name, at least one bets on one or more Online products (not only sports betting) during that period.

The Online segment generated bets of Euro 7,363.5 million for the three months ended 31 March 2025, an increase of 45.7% compared to the corresponding period of the previous year (Euro 5,054.9 million for the three months ended 31 March 2024). The Online operating segment benefited from the PWO acquisition, which contributed to a significant increase in online gaming offering and has recorded Euro 1,467.9 million of bets for the three months ended 31 March 2025. The operating segment's growth was further driven by the continued expansion of the Online market and by the Group's increased market share across all segments and brands, reinforcing its leadership position within this segment.

The overall growth in bets was driven by an increase in:

- iGaming, from Euro 3,863.7 million for the three months ended 31 March 2024 to Euro 5,794.1 million for the three months ended 31 March 2025;
- iSports, from Euro 800.9 million for the three months ended 31 March 2024 to Euro 1,123.7 million for the three months ended 31 March 2025;
- Other online gaming, from Euro 390.3 million for the three months ended 31 March 2024 to Euro 445.7 million for the three months ended 31 March 2025.

In addition to the drivers noted above, key contributing factors to growth of the Online segment included:

- the increase in the online games offer;
- continuous technological improvements such as graphic and functional refactoring of the deposits and withdrawals section, inclusion of virtual games in the sports betting app, improvement of customer experience on all digital assets;
- the review / strengthening of the CRM strategy through the implementation of retention/reactivation promotional activities and strengthening of loyalty engagement initiatives implemented by the Group;
- the optimization of acquisitions from the retail channel through the introduction of focused marketing policies and the improvement of network;
- the unification of the gaming platform for both Group brands; and
- joining new gaming networks for poker and skill games.

Online segment revenues for the three months ended 31 March 2025 amounted to Euro 239.8 million, an increase of Euro 89.4 million compared to Euro 150.4 million for the three months ended 31 March 2024. The main drivers for the increase were the same as the drivers described above for the increase in bet, in addition to favorable sports betting payout recorded in the first quarter of 2025 compared to the same period of the previous year. The PWO acquisition contributed to revenue growth for Euro 55.8 million.

Sports Franchise

The following table provides certain key performance indicators for the *Sports Franchise* segment for the periods indicated:

	As of and for the three months ended 31 March	
	2025	**2024**
Number of licenses/concessions*	4,024	3,021
Number of active points of sale (shops and corner)	3,769	2,850
Average number of points of sale in operations (shops and corner)	3,758	2,832
Sports Franchise bet (in millions of Euro)	1,046.3	822.0

* Excluding the 26 licenses related to horse racing in 2025 and 26 in 2024. Including 8 betting rights of Ricreativo B in 2025 and 2024.

Sports Franchise bets increased from Euro 822.0 million for the three months ended 31 March 2024 to Euro 1,046.3 million for the three months ended 31 March 2025. The increase was mainly due to the contribution from PWO of Euro 221.4 million as well as the effect of the implementation of the project POS, which enabled the Group to identify and include within its network the best-performing point of sales. Sports Franchise revenues amounted to Euro 150.4 million for the three months ended 31 March 2025 (of which Euro 30.3 million related to PWO), an increase of Euro 56.0 million or 59.4% compared to Euro 94.4 million for the three months ended 31 March 2024. This increase was due to the same factors discussed above to bet, as well as favorable sports betting payout recorded in the first quarter of 2025 compared to the same period of the previous year.

Gaming Franchise

Bets in the Gaming Franchise segment for the three months ended 31 March 2025 amounted to Euro 2,769.5 million, a decrease of Euro 87.4 million compared to Euro 2,856.9 million for the three months ended 31 March 2024. Gaming Franchise revenues amounted to Euro 195.5 million[11] for the three months ended 31 March 2025, an increase of Euro 0.2 million compared to Euro 195.3 million for the three months ended 31 March 2024.

The following paragraphs provide details of Gaming Franchise segment by product division:

[11] Includes Cristaltec group revenues of Euro 1.2 million, consistent with the approach adopted by management to monitor the results of the operating segments.

AWP

The following table provides certain key performance indicators for the *AWP* product line for the periods indicated:

	As of and for the three months ended 31 March	
	2025	**2024**
Number of AWPs in operation as of the period end	63,145	63,633
Average number of AWPs in operation for the period	63,263	63,400
AWP bet (in millions of Euro)*	1,045.4	1,123.8
Average AWP PREU (as percentage of bet)	24.0%	24.0%

* The amount does not include bets generated by gaming halls connected to other concessionaires (different from Gamenet S.p.A. and Lottomatica Videolot Rete), amounting to Euro 157.8 million, and Euro 122.7 million for the three months ended 31 March 2025 and 2024 respectively, which is included in the Retail and Street Operations business line .

AWP bets amounted to Euro 1,045.4 million for the three months ended 31 March 2025, a decrease compared to the corresponding period of the previous year (Euro 1,123.8 million for the three months ended 31 March 2024).

AWP revenues for the three months ended 31 March 2025 amounted to Euro 70.9 million, substantially in line with the same period of previous year (Euro 71.1 million). This trend, which moves against bets performance, was mainly due to the distribution insourcing strategy.

VLT

The following table provides certain key performance indicators for the *VLT* product line for the periods indicated:

	As of and for the three months ended 31 March	
	2025	**2024**
Number of VLTs licenses	19,831	19,831
Average number of VLTs in operation for the period	18,376	18,361
Number of VLTs in operation as of the period end	18,371	18,416
VLT in operation as percentage of VLT rights	92.6%	92.9%
VLT bet in millions of Euro*	1,530.6	1,572.5
Average VLT PREU (as percentage of bet)	8.6%	8.6%

* The amount does not include bets generated by gaming halls connected to other concessionaires (different from Gamenet S.p.A. and Lottomatica Videolot Rete), amounting to Euro 35.7 million, and Euro 37.8 million for the three months ended 31 March 2025 and 2024 respectively, which is included in the Retail and Street Operations business line.

VLT bets decreased by 2.7% from Euro 1,572.5 million for the three months ended 31 March 2024 to Euro 1,530.6 million for the three months ended 31 March 2025 while VLT revenues slightly decreased from Euro 112.3 million for the three months ended 31 March 2024 to Euro 109.3 million for the three months ended 31 March 2025.

Retail and Street Operations

Bets in the Retail and Street Operations product line (from other concessionaires) amounted to Euro 193.5 million for the three months ended 31 March 2025 (Euro 160.6 million for the three months ended

31 March 2024) while the related revenues (from other concessionaires) amounted to Euro 15.4 million[12] for the three months ended 31 March 2025, an increase of Euro 3.5 million compared to Euro 11.9 million for the three months ended 31 March 2024, mainly due to the contribution from the acquisition took place during 2024.

After reclassifying bets generated in owned gaming halls connected to the Gamenet S.p.A. and Lottomatica Videolot Rete S.p.A. concessionaires, total Retail and Street Operations bets for the three months ended 31 March 2025 amounted to Euro 968.3 million (Euro 888.4 million for the three months ended 31 March 2024). For details regarding movements during the period, see the comments above in relation to AWPs and VLTs.

6.2. Other income

Other income for the three months ended 31 March 2025 amounted to Euro 3.1 million (of which Euro 0.2 million related to PWO), a decrease of Euro 0.8 million compared to Euro 3.9 million for the three months ended 31 March 2024, mainly due to lower NOD recharges compared to the corresponding period of the previous year.

6.3. Cost of services

The following table provides a breakdown of cost of services for the three months ended 31 March 2025 and 2024:

	For the three months ended 31 March				**Change**	
(in thousands of Euro)	**2025**	**% of revenues**	**2024**	**% of revenues**	**(Euro)**	**%**
Distribution network compensation	(238,790)	(40.9%)	(183,497)	(41.7%)	(55,293)	30.1%
Fee on licensing gaming platforms	(33,556)	(5.7%)	(24,801)	(5.6%)	(8,755)	35.3%
Concession fee	(16,001)	(2.7%)	(13,502)	(3.1%)	(2,499)	18.5%
Rentals, leases and other rentals	(4,051)	(0.7%)	(1,740)	(0.4%)	(2,311)	>100.0%
Other	(53,236)	(9.1%)	(41,570)	(9.4%)	(11,666)	28.1%
Total	**(345,634)**	**(59.1%)**	**(265,110)**	**(60.2%)**	**(80,524)**	**30.4%**

Cost of services for the three months ended 31 March 2025 amounted to Euro 345.6 million (of which Euro 60.9 million related to PWO), an increase of Euro 80.5 million compared to Euro 265.1 million for the three months ended 31 March 2024.

Cost of services mainly related to the distribution network compensation, which amounted to Euro 238.8 million for the three months ended 31 March 2025 (of which Euro 45.6 million related to PWO), an increase of Euro 55.3 million compared to Euro 183.5 million for the three months ended 31 March 2024. This trend was mainly attributable to the supply chain remuneration model (linked to a percentage of bets and/or revenue sharing mechanisms), resulting in the cost item substantially varying in line with revenues.

[12] Includes Cristaltec group revenues of Euro 1.2 million, consistent with the approach adopted by management to monitor the results of the operating segments.

The fee on gaming platform licenses was Euro 33.6 million for the three months ended 31 March 2025 (of which Euro 5.4 million related to PWO), an increase of Euro 8.8 million compared to Euro 24.8 million for the three months ended 31 March 2024. The item represents fees due to the VLT platform providers to use their systems.

The concession fee payable to the ADM for the Gaming Franchise, Sports Franchise and Online concessions was Euro 16.0 million for the three months ended 31 March 2025 (of which Euro 2.2 million related to PWO), an increase of Euro 2.5 million compared to Euro 13.5 million for the three months ended 31 March 2024. The increase was substantially related to the PWO acquisition.

The increase in “Rentals, leases and other rentals” was mainly due to the contribution of PWO for Euro 1.6 million.

“Other” amounted to Euro 53.2 million for the three months ended 31 March 2025, an increase of Euro 11.6 million compared to Euro 41.6 million for the three months ended 31 March 2024. Such change was mainly due to the PWO acquisition for Euro 6.1 million, the higher commissions on collections by credit cards following the increase in the volumes of transactions recorded, as well as higher costs for events at the gaming halls and other marketing campaigns.

6.4. Personnel expenses

The following table provides a breakdown of personnel expenses for the three months ended 31 March 2025 and 2024:

	For the three months ended 31 March				Change	
(in thousands of Euro)	**2025**	**% of revenues**	**2024**	**% of revenues**	**(Euro)**	**%**
Remuneration	(28,423)	(4.9%)	(18,856)	(4.3%)	(9,567)	50.7%
Social security contributions	(8,867)	(1.5%)	(6,063)	(1.4%)	(2,804)	46.2%
Other personnel costs	(3,825)	(0.7%)	(1,125)	(0.3%)	(2,700)	>100.0%
Total	**(41,115)**	**(7.0%)**	**(26,044)**	**(5.9%)**	**(15,071)**	**57.9%**

Personnel expenses for the three months ended 31 March 2025 amounted to Euro 41.1 million (of which Euro 5.6 million related to PWO), an increase of Euro 15.1 million compared to Euro 26.0 million for the three months ended 31 March 2024. The increase was mainly attributable to the increase in the average number of employees, in particular to the effect of PWO acquisition.

6.5. Other operating costs

Other operating costs for the three months ended 31 March 2025 amounted to Euro 10.9 million (of which Euro 1.1 million related to PWO), an increase of Euro 2.1 million or 23.5% compared to Euro 8.8 million for the three months ended 31 March 2024. The change was mainly due to the PWO acquisition and to the contribution made to the Lottomatica Foundation.

6.6. Depreciation, amortization and impairments

The following table provides a breakdown of depreciation, amortization and impairments for the three months ended 31 March 2025 and 2024:

	For the three months ended 31 March				Change	
(in thousands of Euro)	**2025**	**% of revenues**	**2024***	**% of revenues**	**(Euro)**	**%**
Amortization of intangible assets	(47,394)	(8.1%)	(37,196)	(8.5%)	(10,198)	27.4%
of which PPA	*(18,424)*	*(3.2%)*	*(14,614)*	*(3.3%)*	*(3,810)*	*26.1%*
Depreciation of property, plant and equipment	(12,014)	*(2.1%)*	(10,153)	*(2.3%)*	*(1,861)*	*18.3%*
Depreciation of investment property.	(7)	*(0.0%)*	(7)	*(0.0%)*	-	*0.0%*
Depreciation of right of use	(5,517)	*(0.9%)*	(4,941)	*(1.1%)*	*(576)*	11.7%
Total	**(64,932)**	**(11.1%)**	**(52,297)**	**(11.9%)**	**(12,635)**	**24.2%**

* Figures for the three months ended 31 March 2024 have been restated following the completion of the purchase price allocation relating to Ricreativo B S.p.A..

Depreciation, amortization and impairments for the three months ended 31 March 2025 amounted to Euro 64.9 million (of which Euro 5.4 million related to PWO), compared to Euro 52.3 million for the corresponding period of the previous year. The increase was mainly due to the contribution of PWO acquisition.

Amortization of intangible assets for the three months ended 31 March 2025 includes Euro 18.4 million related to amortization of intangible assets recognized during the purchase price allocation (Euro 14.6 million for the three months ended 31 March 2024).

6.7. Accruals and impairments

Accruals and impairments amounted to Euro 9.9 million for the three months ended 31 March 2025, an increase of Euro 9.7 million compared to Euro 0.2 million for the three months ended 31 March 2024, mainly due to the impairment of receivables from the supply chain related to 2015 Italian Stability Law, amounting to Euro 9.5 million.

6.8. Net finance expenses

The following table provides a breakdown of net finance expenses for the three months ended 31 March 2025 and 2024:

	For the three months ended 31 March				Change	
(in thousands of Euro)	2025	% of revenues	2024	% of revenues	(Euro)	%
Non-recurring financial income	-	0.0%	5,031	1.1%	(5,031)	(100.0%)
Other interest income	670	0.1%	977	0.2%	(307)	(31.4%)
Total finance income	**670**	**0.1%**	**6,008**	**1.3%**	**(5,338)**	**(88.8%)**
Non-recurring financial expenses	-	0.0%	(8,355)	(1.9%)	8,355	(100.0%)
Interest expenses on Notes (including IRS)	(31,286)	(5.4%)	(29,457)	(6.7%)	(1,829)	6.2%
Amortized cost on Notes	(1,251)	(0.2%)	(2,055)	(0.5%)	804	(39.1%)
Commission on sureties	(1,634)	(0.3%)	(1,425)	(0.3%)	(209)	14.7%
Interest expenses on Revolving Loan	(1,491)	(0.3%)	(1,241)	(0.3%)	(250)	20.1%
Leasing interest expense	(1,094)	(0.2%)	(1,038)	(0.2%)	(56)	5.4%
Amortized costs on deferred purchase consideration for acquisition	(147)	(0.0%)	(811)	(0.2%)	664	(81.9%)
Other interest expense	(1,337)	(0.2%)	(909)	(0.2%)	(428)	47.1%
Total finance expenses	**(38,240)**	**(6.5%)**	**(45,291)**	**(10.3%)**	**7,051**	**(15.6%)**
Net finance expenses	**(37,570)**	**(6.4%)**	**(39,283)**	**(8.9%)**	**1,713**	**(4.4%)**

Net finance expenses amounted to Euro 37.6 million (of which Euro 0.6 million related to PWO) for the three months ended 31 March 2025, a decrease of Euro 1.7 million compared to Euro 39.3 million for the same period of the previous year. The change was mainly due to:

- lower non-recurring finance expenses of Euro 8.4 million mainly attributable to the interest accrued on the December 2023 Notes, prior to the finalization of the SKS365 Acquisition, which occurred in April 2024;

partially offset by:

- lower non-recurring finance income of Euro 5.0 million related to interests income accrued on the escrow account in 2024;
- higher commissions on Notes of Euro 1.8 million.

It should be noted that "Amortized cost on Notes" and "Amortized cost on deferred purchase consideration for acquisition" are not monetary costs. For further details on the item, see Note 8.8 in the Notes to the Condensed Consolidated Interim Financial Statements.

6.9. Income tax expense

Income tax for the three months ended 31 March 2025 amounted to Euro 26.3 million compared to Euro 22.3 million for the three months ended 31 March 2024, an increase of Euro 4.0 million. For further details, see Note 8.9 in the Notes to the Condensed Consolidated Interim Financial Statements.

7. Group economic performance – Adjusted EBITDA, Adjusted EBIT and Adjusted Net Profit

The following table shows the reconciliation of Adjusted EBITDA for the periods indicated:

(in thousands of Euro)	For the three months ended 31 March 2025	2024*
Net profit for the period	**51,541**	**29,866**
Income tax expense	26,269	22,276
Finance income	(670)	(6,008)
Finance expenses	38,240	45,291
Share of profit of equity accounted investments	(205)	-
Depreciation, amortization and impairment	64,932	52,297
Adjusted EBITDA from equity accounted investments	936	-
Cost related to M&A and international activities ** (a)	1,113	1,658
Integration costs*** (b)	10,565	2,082
Other non-recurring (income)/expense**** (c)	27,753	2,059
Total non-recurring not included in Adjusted EBITDA (a+b+c)	39,431	5,799
Of which:		
- Monetary costs not included in Adjusted EBITDA	*29,746*	*5,630*
- Non-monetary costs not included in the Adjusted EBITDA	*9,685*	*169*
Adjusted EBITDA	**220,474**	**149,521**

* Figures for the three months ended 31 March 2024 have been restated following the completion of the purchase price allocation relating to Ricreativo B S.p.A..
** The item mainly refers to advisory costs for the three months ended 31 March 2025, in relation to potential acquisitions.
*** Primarily represents costs incurred for the integration of acquired companies and expenses on corporate restructuring and redundancy.
**** For the three months ended 31 March 2025, the item mainly includes one off costs for specific network-related activities in relation to the concession tender and other.

The following table shows the reconciliation of Adjusted EBIT for the periods indicated:

(in thousands of Euro)	For the three months ended 31 March 2025	2024*
Net profit for the period	**51,541**	**29,866**
Income tax expense	26,269	22,276
Finance income	(670)	(6,008)
Finance expenses	38,240	45,291
Share of profit of equity accounted investments	(205)	-
Amortization of assets resulting from business combinations	18,424	14,614
Other non-recurring costs and income excluded from Adjusted EBITDA	39,431	5,799
Adjusted EBIT	**173,030**	**111,838**

* Figures for the three months ended 31 March 2024 have been restated following the completion of the purchase price allocation relating to Ricreativo B S.p.A..

The following table shows the reconciliation of Adjusted Net Profit for the periods indicated:

(in thousands of Euro)	For the three months ended 31 March 2025	2024*
Net profit for the period	**51,541**	**29,866**
Amortization of assets resulting from business combinations	18,424	14,614
Other non-recurring costs and income excluded from Adjusted EBITDA	39,431	5,799
Adjustments related to SKS365 Acquisition	-	3,324
Of which:		
- Income from Interest rate swap	-	*(1,671)*
- Negative carry (net of accrued interest received from escrow account)	-	*4,995*
Other non-monetary items including in financial expenses	2,256	3,679
Tax effect (IRES + IRAP)**	(16,905)	(7,621)
Adjusted Net Profit	**94,747**	**49,661**
Adjusted Net Profit per Share***	0.38	0.20

*Figures for the three months ended 31 March 2024 have been restated following the completion of the purchase price allocation relating to Ricreativo B S.p.A..
**Tax effect calculation is based on the applicable tax regulations as of the periods illustrated.
***Calculated based on outstanding shares as of 31 March 2025.

8. Group economic performance – By operating segment

The following table shows information relating to income statement items by operating segment for the periods indicated.

	Online		Sports Franchise		Gaming Franchise		Total reportable segment	
(in thousands of Euro, except percentages)	3M'25	3M'24	3M'25	3M'24	3M'25[(a)]	3M'24	3M'25	3M'24
BET (including other concessionaires)	**7,363,471**	**5,054,863**	**1,046,347**	**821,979**	**2,769,455**	**2,856,861**	**11,179,273**	**8,733,703**
BET (Lottomatica Group)	7,363,471	5,054,863	1,046,347	821,979	2,575,981	2,696,291	**10,985,799**	**8,573,133**
GGR	**428,243**	**256,097**	**191,634**	**119,380**	**604,541**	**638,728**	**1,224,418**	**1,014,205**
Revenues toward third parties	239,816	150,395	150,410	94,359	195,511	195,325	585,737	440,079
Other income toward third parties	553	703	787	664	2,088	2,508	3,428	3,875
Intragroup Revenues and Other income	3,278	6,678	929	2,373	2,492	3,773	6,699	12,824
Total Revenues and income	**243,647**	**157,776**	**152,126**	**97,396**	**200,091**	**201,606**	**595,864**	**456,778**
Adjusted EBITDA	**128,474**	**82,935**	**45,650**	**19,702**	**46,350**	**46,884**	**220,474**	**149,521**
Adjusted EBITDA Margin[(b)]	*53.6%*	*55.1%*	*30.4%*	*20.9%*	*23.7%*	*24.0%*	*37.6%*	*34.0%*

(a) Includes the results of the Cristaltec group, in line with the approach adopted by management to monitor the results of the operating segments.
(b) Adjusted EBITDA Margin is calculated as Adjusted EBITDA / Revenues toward third parties.

The following table shows the reconciliation of total revenue for the periods indicated:

(in thousands of Euro)	For the three months ended 31 March 2025	2024
Total Revenues and Income for reportable segment	595,864	456,778
Elimination of intersegment revenues	(6,699)	(12,824)
Elimination of revenues from equity accounted investments	(1,535)	-
Total Revenues and income consolidated	**587,630**	**443,954**

For the reconciliation of Adjusted EBITDA, please refer to paragraph “7. Group economic performance – Adjusted EBITDA, Adjusted EBIT and Adjusted Net Income“ of this interim management report.

Adjusted EBITDA

Online

Adjusted EBITDA of the Online segment was Euro 128.5 million for the three months ended 31 March 2025, representing 58.3% of total Adjusted EBITDA, compared to Euro 82.9 million for the three months ended 31 March 2024. The increase was driven by the contribution from PWO and a favorable sports betting payout, in addition to the factors previously discussed in relation to the increase in bets and revenues. Adjusted EBITDA margin for the three months ended 31 March 2025 decreased from 55.1% for the three months ended 31 March 2024 to 53.6% for the three months ended 31 March 2025, due to the integration of PWO, which contributed to the increase in business with lower marginality.

Sports Franchise

Adjusted EBITDA of the Sports Franchise segment was Euro 45.6 million for the three months ended 31 March 2025, compared to Euro 19.7 million for the three months ended 31 March 2024, representing 20.7% of total Adjusted EBITDA. This increase was due to the contribution from PWO and to favorable payout on sports betting recorded in 2025. Adjusted EBITDA margin increased from 20.9% for the three months ended 31 March 2024 to 30.4% for the three months ended 31 March 2025.

Gaming Franchise

Adjusted EBITDA of the Gaming Franchise segment was Euro 46.9 million for the three months ended 31 March 2024, compared to Euro 46.4 million for the three months ended 31 March 2025. Adjusted EBITDA margin slightly decreased from 24.0% for the three months ended 31 March 2024 to 23.7 % for the three months ended 31 March 2025.

9. Cash flows

The following table shows summary details of the Group's cash flows for the three months ended 31 March 2025 and 2024:

(in thousands of Euro)	**For the three months ended 31 March**	
	2025	**2024**
Cash flow from operating activities (a)	183,023	120,671
Cash flow used in investing activities (b)	(85,330)	(48,792)
Cash flow used in financing activities(c)	(29,968)	(47,267)
Net cash flow (a+b+c)	**67,725**	**24,612**
Cash and cash equivalents at the beginning of the period	**164,156**	**294,682**
Cash and cash equivalents at the end of the period	**231,881**	**319,294**

9.1. Cash flow from operating activities

Cash flow generated by operating activities was Euro 183.0 million for the three months ended 31 March 2025, an increase of Euro 62.3 million compared to Euro 120.7 million for the three months ended 31 March 2024, and mainly related to:

- cash flow from operating activities before the changes in net working capital of Euro 191.7 million for the three months ended 31 March 2025, an increase of Euro 46.6 million compared to Euro 145.1 million for the three months ended 31 March 2024. Such increase was substantially in line with the increase in Adjusted EBITDA (which increased by Euro 71.0 million from Euro 149.5 million for the three months ended 31 March 2024 to Euro 220.5 million for the three months ended 31 March 2025) partially offset by non-recurring monetary costs;

- cash inflow from net working capital of Euro 8.6 million attributable, among other things to:

    - a negative change of Euro 37.4 million related to the decrease in PREU payables as result of the trend of bet;
    - a negative change of Euro 12.9 million related to higher deposit related receivables due from the ADM: considering that the payment of guaranteed deposit related receivables takes place once per year, generally during the second quarter, the first quarter is characterized by the negative impact linked to the accumulation of three months' worth of receivables due from the ADM;
    - the payment to the tax dispute of the PWO's Austrian branch for Euro 6.0 million;
    - the collection of guarantee deposits of Euro 9.2 million;
    - a negative change of Euro 7.8 million related to the seasonality of concession fee related payables due to the ADM and the trend of bets;
    - a positive variation of Euro 54.7 million related to the increase in betting duties ("Imposta Unica") payables for sports betting. Specifically, during the first quarter of the year (in January) only the amount relating to December is paid; during the same period, however, the payable relating to three months is accumulated.

9.2. Cash flow used in investing activities

Cash flow used in investing activities was Euro 85.3 million for the three months ended 31 March 2025, an increase of Euro 36.5 million compared to Euro 48.8 million for the three months ended 31 March 2024. For the three months ended 31 March 2025, cash flows used in investing activities were mainly related to:

- recurring capital expenditure of Euro 21.3 million mainly related to software development and software licensing costs, AWP cabinets and motherboards as well as the renovation of betting PoS, owned and indirect gaming halls;
- concession capital expenditure amounting to Euro 14.8 million mainly related to the renewal of Gaming Franchise concessions;
- extraordinary capital expenditure amounting to Euro 29.2 million, mainly related to (i) acquisition costs bolt-on M&A, distribution insourcing and deferred price components of previous acquisitions and (ii) PWO integration costs;
- the payment of the deferred price relating to the acquisition of GoldBet (now GBO Italy S.p.A.) amounting to Euro 10.0 million.

Cash flow from investing activities also included the advance paid for the acquisition of 65% of the share capital of Distante S.r.l., completed on 1 April 2025.

It should also be noted that extraordinary capital expenditure for the three months ended 31 March 2024 included the payment for the purchase of the remaining 30% of the share capital of Billions Italia S.r.l. not owned by the Group, amounting to Euro 3.3 million.

The following table presents a breakdown of the Group’s Cash Capital Expenditures for the periods indicated and a reconciliation between cash flow from investing activities as reported in the Group’s consolidated cash flow statement and Cash Capital Expenditures:

	For the three months ended 31 March	
(in thousands of Euro)	**2025**	**2024**
Recurring capex	(21,292)	(20,414)
Concession capex	(14,793)	(19,054)
Extraordinary capex	(29,184)	(12,574)
Of which:		
- Integration	*(9,993)*	-
- Bolt-ons (including deferred consideration)	*(18,762)*	*(4,605)*
- Other	*(429)*	*(7,969)*
Deferred price Goldbet	(10,000)	-
Cash Capital Expenditures	**(75,269)**	**(52,042)**
Adjusted for:		
- Net investments in financial assets	*(10,061)*	-
- Acquisition of Billions Italia	-	*3,250*
Cash flow from investing activities	**(85,330)**	**(48,792)**

The following table shows a calculation of Operating Cash Flow for the periods indicated:

(in thousands of Euro)	**For the three months ended 31 March**	
	2025	**2024**
Adjusted EBITDA	220,474	149,521
Capital expenditures in recurring capex	(21,292)	(20,414)
Capital expenditures in concessions capex	(14,793)	(19,054)
Operating Cash Flow	**184,389**	**110,053**

9.3. Cash flow used in financing activities

Cash flow used in financing activities amounted to Euro 30.0 million for the three months ended 31 March 2025, compared to Euro 47.3 million for the three months ended 31 March 2024.

For the three months ended 31 March 2025, cash flow used in financing activities mainly related to:

- net finance expenses paid of Euro 21.8 million, mainly related to (i) interest on the notes and (ii) finance expenses related to the revolving credit facility amounting to Euro 1.2 million;
- lease payments of Euro 6.8 million and
- dividends paid to non-controlling interests of Euro 0.9 million.

10. Group financial position

10.1. Net financial indebtedness – ESMA

The following table presents a breakdown of Net financial indebtedness – ESMA, calculated in accordance with the recommendations contained in ESMA 32-382-1138 released on 4 March 2021, for the periods indicated:

(in thousands of Euro)	**As of 31 March 2025**	**As of 31 December 2024**
A. Cash	231,881	164,156
B. Cash equivalent	-	-
C. Other current financial assets	40,426	30,396
D. Liquidity (A+B+C)	**272,307**	**194,552**
E. Current financial debt	2,452	3,155
F. Current portion of non-current financial debt	107,788	97,236
G. Current Financial Indebtedness (E+F)	**110,240**	**100,391**
H. Net Current Financial Indebtedness (G-D)	**(162,067)**	**(94,161)**
I. Non-current financial debt	111,347	114,345
J. Debt instruments	1,935,342	1,934,091
K. Non-current trade and other payables*	62,816	-
L. Non-Current Financial Indebtedness (I+J+K)	**2,109,505**	**2,048,436**
M. Net Financial Indebtedness - ESMA (H+L)	**1,947,438**	**1,954,275**

*The item “Non-current trade and other payables” includes the payables for the two-year extension of the concessions in the Gaming Franchise and Sport Franchise segments.

“Other current financial assets” as of 31 March 2025 mainly includes (i) cash held by operators, mainly related to cash in machines (i.e., in the hoppers and change machines) owned by Gamenet S.p.A., Lottomatica Videolot Rete S.p.A. and Big Easy S.r.l. but managed by external operators, amounting to Euro 23.5 million, (ii) the escrow account related to the acquisition of Goldbet of Euro 5.0 million and (iii) the advance paid in relation to the acquisition of Distante S.r.l. of Euro 10.1 million, finalized on 1 April 2025.

As of 31 March 2025, “Current financial debt” mainly relates to the fair value of the interest rate swap derivative instruments as of 31 March 2025.

The items “Non-current financial debt” and “Current portion of non-current financial debt”, mainly related to:

- the current payable relating to the deferred price component in relation to the acquisition of Goldbet (now GBO Italy S.p.A.), amounting to Euro 17.6 million;
- the payable relating to the acquisition of Rete Gioco Italia S.r.l., amounting to Euro 5.7 million;
- the payable relating to the acquisition of Ricreativo B S.p.A., amounting to Euro 1.7 million;
- payables relating to other acquisitions totaling Euro 16.5 million;
- the payable relating to the eventual exercise of put options on minority interests, amounting to Euro 57.3 million;
- the payable related to bank borrowings, amounting to Euro 2.0 million;
- the liability for accrued and unpaid interest on the notes issued for an aggregated amount of Euro 25.5 million;

- the financial liability recognized following the adoption of IFRS 16 of Euro 81.9 million

Debt Instruments refers to:

- the senior secured notes issued on 29 May 2024 for a total principal nominal amount of Euro 900 million (recognized at amortized cost of Euro 890.4 million as of 31 March 2025) of which (i) Euro 500 million bearing interest at a fixed annual rate of 5.375%, to be paid semiannually, commencing on 1 December 2024 and (ii) Euro 550 million bearing interest equal to the sum of three-month EURIBOR (with a 0% floor) plus 3.250% per annum to be paid quarterly, commencing on 1 September 2024 (the "**May 2024 Notes**")
- the senior secured floating rate notes issued on 14 December 2023, for a principal amount of Euro 500 million (recognized at amortized cost of Euro 488.1 million as of 31 March 2025), bearing interest at the sum of the three month EURIBOR rate (with a floor of 0%) plus 4.00% per annum, with coupons paid quarterly starting from 1 March 2024 (hereinafter the "**December 2023 Notes**");
- the senior secured notes issued on 1 June 2023 for a principal amount of Euro 565 million (recognized at amortized cost of Euro 556.8 million as of 31 March 2025) bearing interest at a fixed annual rate of 7.125%, to be paid semiannually (the "**June 2023 Notes**").

For further details regarding the item, see Note 9.16 to the Annual Consolidated Financial Statements.

As of 31 March 2025, the item "Non-current trade and other payables" related to non-current payables for the two-year extension of the concessions of the Gaming Franchise and Sports Franchise segments, amounting to Euro 62.8 million.

10.2. Net Financial Debt

The following table presents a breakdown of the Net Financial Debt, as monitored by the Group, for the periods indicated:

(in thousands of Euro)	**As of 31 March 2025**	**As of 31 December 2024**
June 2023 Notes*	565,000	565,000
December 2023 Notes*	500,000	500,000
May 2024 Notes*	900,000	900,000
IFRS 16	81,906	81,169
Cash and cash equivalents**	(242,020)	(173,344)
Net Financial Debt	**1,804,886**	**1,872,825**

* Represents the nominal value of the debt.
** As of 31 March 2025, the item is adjusted for Euro 10.1 million related to the advance paid for the acquisition of Distante S.r.l., completed on 1 April 2025. As of 31 December 2024, the item includes Euro 9.2 million relating to PWO guarantee deposits, collected in January 2025.

11. Other information

11.1. Intragroup and related party transactions

The transactions that the Group has entered into with related parties, identified in accordance with the criteria defined by IAS 24 - "Related Party Disclosures", are mainly of a commercial and financial nature and are carried out at normal market conditions.

For a detailed disclosure of the transactions incurred for the three months ended 31 March 2025, please refer to the information in Note 10 to the Condensed Consolidated Interim Financial Statements.

11.2. Foreseeable operating performance

[Based on the results of the first three months of 2025 and the forecasts for the year ending 31 December 2025, the Board of Directors confirmed the guidance for the current year as reported in the consolidated directors report as of and for the year ended 31 December 2024.]

12. Significant events occurring after the reporting period

For details of significant events occurring after 31 March 2025, see Note 11.3 to the Condensed Consolidated Interim Financial Statements.

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Exception from the obligation to publish informative documents.

In exception from the obligation to publish informative documents in accordance with the provisions of Article 70, paragraph 8, and Article 71, paragraph 1bis, of Consob Regulation No 11971/1999 ("**Issuers' Regulation**"), the Company has waived its obligation under Article 70, paragraph 6, and Article 71, paragraph 1, concerning the publication of an informative document drawn up in accordance with Annex 3B of the Issuers' Regulation, in the event of significant mergers, carve out, capital increase through the contribution of assets in kind, significant acquisitions and disposals.

On behalf of the Board of Directors

Chief Executive Officer
Guglielmo Angelozzi

Condensed consolidated interim financial statements as of and for the three months ended 31 March 2025

Consolidated statement of comprehensive income

(In thousands of Euro)	Note	2025	of which Related Parties (Note 10)	2024*	of which Related Parties (Note 10)
		For the three months ended 31 March			
Revenues	8.1	584,548		440,079	
Other income	8.2	3,082		3,875	3
Total revenues and income		**587,630**		**443,954**	
Cost of services	8.3	(345,634)	(296)	(265,110)	
Personnel expenses	8.4	(41,115)	(3,217)	(26,044)	(1,172)
Other operating costs	8.5	(10,905)		(8,829)	(19)
Depreciation, amortization and impairments	8.6	(64,932)		(52,297)	
Impairment of receivables and financial assets	8.7	(9,937)		(249)	
Other (accruals)/ releases	8.7	68		-	
Finance income	8.8	670		6,008	
Finance expenses	8.8	(38,240)		(45,291)	
Share of profit of equity accounted investments		205		-	
Profit before tax		**77,810**		**52,142**	
Income tax expense	8.9	(26,269)		(22,276)	
Net profit for the period		**51,541**		**29,866**	
Net profit for the period attributable to non-controlling interests		1,255		1,528	
Net profit for the period attributable to the owners of the parent		**50,286**		**28,338**	
Earnings per share – Base and Diluted (in Euro)		0.20		0.11	

(In thousands of Euro)	Note	2025	of which Related Parties (Note 10)	2024*	of which Related Parties (Note 10)
		For the three months ended 31 March			
Net profit for the period		**51,541**		**29,866**	
Actuarial gains on employee benefit liabilities		469		101	
Fiscal effect on actuarial gains on employee benefit liabilities		(113)		(24)	
Other items that will not be classified to profit or loss		**356**		**77**	
Gains on hedging derivatives	9.10	474		8,327	
Fiscal effect on gains on hedging derivatives	9.10	(113)		(1,998)	
Losses on conversion of financial statements of the foreign companies		-		(30)	
Other items that will be classified to profit or loss		**361**		**6,299**	
Total comprehensive profit		**52,258**		**36,242**	
Total comprehensive profit attributable to non-controlling interests		1,255		1,528	
Total comprehensive profit attributable to the owners of the parent		**51,003**		**34,714**	

* The figures for the three months ended 31 March 2024 have been restated following the completion of the purchase price allocation relating to Ricreativo B S.p.A.

(The attached notes form an integral part of these condensed consolidated interim financial statements)

Consolidated statement of financial position

(In thousands of Euro)	***Note***	**As of 31 March 2025**	*of which Related Parties (Note 10)*	**As of 31 December 2024**	*of which Related Parties (Note 10)*
Intangible assets	*9.1*	816,422		697,953	
Goodwill	*9.2*	2,061,199		2,048,563	
Property, plant and equipment	*9.3*	145,856		148,460	
Right of use	*9.4*	75,381		74,398	
Investment property		429		435	
Non-current financial assets	*9.6*	2,048		2,037	
Equity accounted investments	*9.5*	5,607		-	
Non-current trade receivables	*9.7*	492		636	
Deferred tax assets		7,856		10,565	
Other non-current assets	*9.8*	18,028		15,815	
Total non-current assets		**3,133,318**		**2,998,862**	
Inventories		1,917		1,478	
Current trade receivables	*9.7*	96,538	*71*	77,349	
Current financial assets	*9.6*	40,426		30,396	
Tax receivables		1,229		2,158	
Other current assets	*9.8*	168,082		162,079	
Cash and cash equivalents	*9.9*	231,881		164,156	
Total current assets		**540,073**		**437,616**	
Total assets		**3,673,391**		**3,436,478**	
Share capital	*9.10*	10,000		10,000	
Other reserves	*9.10*	405,959		405,959	
Retained earnings	*9.10*	153,570		102,010	
Total shareholders' equity attributable to the owners of the parent		**569,529**		**517,969**	
Equity attributable to non-controlling interests	*9.10*	48,543		47,534	
Total shareholders' equity		**618,072**		**565,503**	
Employee benefit liabilities		27,508		26,730	
Non-current financial liabilities	*9.11*	2,046,689		2,048,436	
Provisions for risks and charges	*9.12*	37,767		6,164	
Deferred tax liabilities		146,999		152,130	
Other non-current liabilities	*9.13*	109,616		53,200	
Total non-current liabilities		**2,368,579**		**2,286,660**	
Current financial liabilities	*9.11*	110,240		100,391	
Current trade payables	*9.14*	118,082	*869*	133,702	
Tax payables		44,957		23,147	
Other current liabilities	*9.13*	413,461	*888*	327,075	*2,441*
Total current liabilities		**686,740**		**584,315**	
Total equity and liabilities		**3,673,391**		**3,436,478**	

(The attached notes form an integral part of these condensed consolidated interim financial statements)

Consolidated statement of cash flows

(In thousands of Euro)	Note	2025	of which Related Parties (Note 10)	2024*	of which Related Parties (Note 10)
		For the three months ended 31 March			
INDIRECT METHOD					
Profit before tax		**77,810**		**52,142**	
Reconciliation of profit before tax with cash flow from operating activities:					
Depreciation, Amortization and Impairment	*8.6*	64,932		52,297	
Accruals and write-downs for impairment losses	*8.7*	9,869		249	
Other accruals	*8.4*	907		779	
Share of profit of equity accounted investments		(205)		-	
Net financial expenses	*8.8*	36,476	-	38,245	-
Leasing financial expenses	*8.8*	1,094		1,038	
Other adjustments for non-monetary items		818		345	
Cash flow from operating activities before changes in net working capital		**191,701**		**145,095**	
Changes in net working capital					
Increase in inventories		(439)		(283)	
Decrease in trade receivables	*9.7*	3,374	*(71)*	4,547	*(1)*
Increase / (Decrease) in trade payables	*9.14*	(5,546)	*(4)*	5,235	*(122)*
Other changes in net working capital	*9.8-9.13*	(5,984)	*(4,770)*	(33,624)	*(1,789)*
Cash flow from changes in net working capital		**(8,595)**		**(24,125)**	
Accruals to employee benefits and provisions for risks and charges	*9.12*	(83)		(299)	
Cash flow from operating activities (a)		**183,023**		**120,671**	
Cash flow from investing activities					
Investments:		(46,507)		(47,436)	
- intangible assets	*9.1*	(29,770)		(33,031)	
- property, plant and equipment	*9.3*	(16,737)		(14,405)	
Investments in associates		(4,155)		-	
Net investment in financial assets	*9.6*	(10,061)		-	
Deferred purchase consideration for acquisition of subsidiaries/business units	*9.11*	(13,830)		(1,296)	
Acquisition net of cash and cash equivalents	*9.11*	(10,777)		(60)	
Cash flow from investing activities (b)		**(85,330)**		**(48,792)**	
Cash flow from financing activities					
Fees of issuance of notes	*9.11*	-		(1,879)	
Net financial expenses including RCF	*9.11*	(21,809)		(35,901)	
Lease payment	*9.11*	(6,825)		(5,970)	
Repayment of other bank liabilities		(560)		(298)	
Changes in current and non-current financial assets	*9.11*	-		7	
Transactions with minorities	*9.10*	153		(3,226)	
Dividends paid	*9.10*	(927)		-	
Cash flow from financing activities (c)		**(29,968)**		**(47,267)**	
Net Cash flow (a+b+c)		**67,725**		**24,612**	
Cash and cash equivalents at the beginning of the period	*9.9*	164,156		294,682	
Cash and cash equivalents at the end of the period	*9.9*	231,881		319,294	

* The figures for the three months ended 31 March 2024 have been restated following the completion of the purchase price allocation relating to Ricreativo B S.p.A..

(The attached notes form an integral part of these condensed consolidated interim financial statements)

Consolidated statement of changes in equity

(In thousands of Euro)	*Note*	**Share capital**	***Legal Reserve***	***Share premium reserve***	***Other Reserves***	**Total Other Reserves**	**Retained Earnings/ (Losses)**	**Total Shareholders' Equity Attributable to Owners of the Parent**	**Equity Attributable to Minority Interests**	**Total Shareholders' Equity**
As of 31 December 2023	*9.10*	**10,000**	**10**	**433,832**	**37,541**	**471,383**	**16,629**	**498,012**	**43,218**	**541,230**
Net profit for the period		-	-	-	-	-	28,338	28,338	1,528	29,866
Other items of comprehensive income		-	-	-	-	-	6,376	6,376	-	6,376
Total comprehensive income		**-**	**-**	**-**	**-**	**-**	**34,714**	**34,714**	**1,528**	**36,242**
Dividends distribution		-	-	-	-	-	-	-	(40)	(40)
Stock options	.	.	.		.	-	184	184	-	184
Transactions with minorities		-	-	-	-	-	(5,074)	(5,074)	(1,402)	(6,476)
As of 31 March 2024*	*9.10*	**10,000**	**10**	**433,832**	**37,541**	**471,383**	**46,453**	**527,836**	**43,304**	**571,140**

(In thousands of Euro)	*Note*	**Share capital**	***Legal Reserve***	***Share premium reserve***	***Other Reserves***	**Total Other Reserves**	**Retained Earnings/ (Losses)**	**Total Shareholders' Equity Attributable to Owners of the Parent**	**Equity Attributable to Minority Interests**	**Total Shareholders' Equity**
As of 31 December 2024	*9.10*	**10,000**	**10**	**368,408**	**37,541**	**405,959**	**102,010**	**517,969**	**47,534**	**565,503**
Net profit for the period		-	-	-	-	-	50,286	50,286	1,255	51,541
Other items of comprehensive income		-	-	-	-	-	717	717	-	717
Total comprehensive income		**-**	**-**	**-**	**-**	**-**	**51,003**	**51,003**	**1,255**	**52,258**
Dividends distribution		**-**	**-**	-	**-**	-	-	-	(400)	(400)
Stock options		**-**	**-**	**-**	**-**	-	557	557	-	557
Other changes in equity including transactions with minorities		**-**	**-**	**-**	**-**	**-**	-	-	154	154
As of 31 March 2025	*9.10*	**10,000**	**10**	**368,408**	**37,541**	**405,959**	**153,570**	**569,529**	**48,543**	**618,072**

* The figures for the three months ended 31 March 2024 have been restated following the completion of the purchase price allocation relating to Ricreativo B S.p.A..

(The attached notes form an integral part of these condensed consolidated interim financial statements)

Explanatory notes to the condensed consolidated interim financial statements as of and for the three months ended 31 March 2025

1. General information

1.1. Introduction

Lottomatica Group S.p.A. (hereinafter 'the ''**Company**'' or the ''**Parent**'' and together with its subsidiaries the ''**Group**'') is a company incorporated on 15 October 2019 and domiciled in Italy with registered offices in Rome, Via degli Aldobrandeschi, 300, organized under the laws of the Republic of Italy. The share capital of the Company amounts to Euro 10,000,000, divided into 251,630,412 ordinary shares without nominal value. The Company's ultimate controlling entity is Apollo Management, L.P., a limited company incorporated under the laws of the State of Delaware (USA). Since 3 May 2023, the Company's shares have been listed on Euronext Milan, a regulated market organized and managed by Borsa Italiana S.p.A..

The Group offers a diversified product range spread across three operating segments: (i) online betting and gaming (Online); (ii) betting and gaming through the retail network (Sports Franchise); and (iii) management of the AWPs (amusement with prize machines) and VLTs (video lottery terminals) entertainment device networks and management of owned gaming halls and AWPs (Gaming Franchise).

It should be noted that, on 24 April 2024, GBO S.p.A. completed the acquisition of 100% of the share capital of SKS365 Malta Holdings Limited (merged into GBO S.p.A. during the 2025) for a consideration of Euro 621.5 million (the "**SKS365 Acquisition**"). The company was consolidated starting from 30 April 2024. It is also noted that, SKS365 Malta Limited, a subsidiary of SKS365 Malta Holdings Limited, was renamed to PWO Limited (now PWO S.p.A., hereinafter **"PWO"**) following the acquisition.

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These condensed consolidated interim financial statements as of and for the three months ended 31 March 2025 (hereinafter the ''**Condensed Consolidated Interim Financial Statements**") were approved by the Company's Board of Directors on 6 May 2025.

2. Basis of preparation and accounting policies

2.1. Basis of preparation

These Condensed Consolidated Interim Financial Statements have been prepared in accordance with the International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB) and adopted by the European Union (hereafter, "**EU IFRS**") in force as of 31 March 2025.

The designation ''EU IFRS'' includes all "International Financial Reporting Standards", all "International Accounting Standards" ("**IAS**") and all interpretations of the International Financial Reporting Interpretations Committee (''**IFRIC**''), formerly the Standing Interpretations Committee (''**SIC**''), adopted as of the reporting date, by the European Union in accordance with the procedures provided for in Regulation No. 1606/2002 of the European Parliament and of the Council of 19 July 2002.

These Condensed Consolidated Interim Financial Statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* (hereinafter "**IAS 34**"). IAS 34 allows entities to prepare condensed financial statements that include less information at interim dates than that foreseen by EU IFRS. The Condensed Consolidated Interim Financial Statements should therefore be read together with the annual consolidated financial statements as of and for the year ended 31 December 2024 approved by the Board of Directors on 3 March 2025 (the "**Annual Consolidated Financial Statements**").

The Condensed Consolidated Interim Financial Statements:

- have been prepared on a going concern basis, as management has confirmed the absence of financial, operational or other indicators that may suggest an inability on the part of the Group to meet its obligations in the foreseeable future and, in particular, during the 12 months following the reporting date;
- have been prepared and are presented in Euro, the main currency in which Group companies operate. Unless otherwise specified, all amounts in this document are expressed in thousands of Euro (Euro '000);
- include the consolidated statement of financial position, the consolidated statement of comprehensive income, the consolidated statement of cash flows, the consolidated statement of changes in equity and the notes to the consolidated financial statements.

The Group operates in an industry characterized by a business model in which collections precede payments. This dynamic, also considering the strong cash generation, allows the Group to manage its finances efficiently and utilize cash and cash equivalents for payments also related to non-recurring transactions which may determine temporary situations, such as those at 31 March 2025, in which current assets may be lower than current liabilities.

The recognition, classification and measurement criteria and accounting policies adopted in preparing the Condensed Consolidated Interim Financial Statements are the same as those adopted in preparing the Annual Consolidated Financial Statements to which reference is made.

The consolidated financial statements as of and for the three months ended 31 March 2024, presented in the Condensed Consolidated Interim Financial Statements for comparative purposes, have been restated compared to the original data published for such period following the completion of the purchase price allocation which was provisionally accounted for in the financial statements as of and for the three months ended 31 March 2024. For further details about the purchase price allocation, please refer to Note 7.8 to the Annual Consolidated Financial Statements.

The Group has not opted for early adoption of any standards, interpretations or amendments issued but not yet effective.

Starting from 2024, the Group falls within the scope of application of the Pillar 2/GloBE rules. Specifically, these rules came into effect in Italy on 1 January 2024 as a result of Legislative Decree No. 209/2023 implementing Directive No. 2523/2022/EU. The Pillar 2 rules provide that entities which are part of the Group (wherever located) shall be subject to a level of effective income taxation of at least

15%, to be determined on the basis of a structured count based on aggregate accounting and tax data by country. In case the level of taxation in a certain country is less than 15%, this results in the application of supplementary taxation (so-called "**Top-Up Tax**") up to that 15% level.

As required by the accounting standard IAS 12 (in particular, by the "Amendments to IAS 12 Income Taxes-International Tax Reform-Pillar Two Model Rules"), the Group has performed an analysis, in order to identify the scope of application and the potential impact of this new legislation on the jurisdictions of its scope of consolidation, also making use of the so-called transitional safe harbours applicable in the three-year period 2024-2026 (so-called transitional period) as provided by the OECD guidelines.

Based on the most updated current data, Lottomatica Group S.p.A. assumes the role of "parent company" ("**Ultimate Parent Entity**") for the entire Group for Pillar 2 purposes. As Ultimate Parent Entity, Lottomatica Group S.p.A. has performed an analysis in relation to the possible exposure to Pillar 2 taxation in relation to the year ended 31 December 2023 and 2024 (with the data available at this date). Given that, for both tax periods mentioned and based on the information available, no Top-up Tax liability has emerged in any of the countries in which the Group is present and that there are currently no significant discontinuities between the two tax periods mentioned and the 2025 tax period, management does not currently expect significant impacts regarding the application of the Pillar 2 regulations in relation to the first quarter of 2025.

2.2. Scope and principles of consolidation

There have been no changes in the consolidation criteria and methods adopted compared to what was reported in the Annual Consolidated Financial Statements. The Group's scope of consolidation has changed compared to the Annual Consolidated Financial Statements as a result of:

- merger by incorporation of SKS365 Malta Holding Limited into GBO S.p.A.;
- liquidations of Gnet Inc., Lottomatica UK Ltd, SKS Services doo and SKS SRB doo.

With reference to associates, on 13 January 2025, Lottomatica Videolot Rete S.p.A. completed the acquisition of 60% of the share capital of Cristaltec S.p.A., which holds a 51% interest in Luduscristaltec L.d.A.. On 31 March 2025, Lottomatica Videlot Rete S.p.A. converted part of its shares into non-voting shares, reducing its voting rights to 37.40% from the original 60%. Therefore, since control requirements pursuant to IFRS 10 are not met, the investment in Cristaltec S.p.A. is recognized using the equity method, in accordance with IAS 28 – Investments in Associates and Joint Ventures, as the Group exercises significant influence over the investee.

Finally, it should be noted that on 4 February 2025 the procedures for the transformation of the company PWO Limited (formerly SKS Malta Limited) into a joint stock company under Italian law were completed. The transformation was effective from 1 March 2025.

Please refer to Appendix A to these Condensed Consolidated Interim Financial Statements for the list of companies included in the scope of consolidation as of 31 March 2025.

2.3. Use of accounting estimates

The accounting principles, policies and valuation estimates adopted are consistent with those used in the preparation of the Annual Consolidated Financial Statements.

As of 31 March 2025, there was no changes in the application of estimates and assumptions by the management compared to the Annual Consolidated Financial Statements, except with reference to the valuation of the third cycle of stock option assignment as described below.

2.3.1. Share-based payments

The Board of Directors approved the implementation of the medium-long term management incentive plan regulation ("**LTIP Regulation**", and "**LTIP**" in relation to the medium-long term management incentive plan) already approved by the Shareholders' Meeting of 15 March 2023 and subject to examination by the Appointments and Remuneration Committee. A description of the plan is detailed in Note 8.4 of the Annual Consolidated Financial Statement. In line with the Stock Option Plan Regulation, the plan has been accounted for at fair value as required by IFRS 2 – Share Based Payment.

With reference to the third cycle of assignments, the valuation of the assigned rights was carried out by reflecting the financial market conditions valid on the grant date. The methodology adopted to estimate the fair value follows the risk neutral approach. The risk-free rate curve is deducted from the interest rate swap rates present on the market at the grant date.

The following table provides details of the market related data used to determine the fair value of the stock options:

Number of options	Vesting date	Expiration date	Strike price (Euro)	Price at valuation (Euro)	Annual volatility	Expected dividend rate	Exit annual rate
4,368,363	3 March 2028	3 March 2030	16.034	16.65	21.94%	3.90%	0.00%

The fair value of market-based component was estimated using the stochastic simulation with the “Monte Carlo method”. The valuation was carried out on no-arbitrage and risk-neutral framework assumptions common to fundamental stock option pricing models (such as the binomial model, the Black-Scholes model and so on), using the following hypotheses:

- average annual growth rate of the stock equal to 2.147%;
- stock volatility equal to 21.94%;
- discount rate equal to 2.147%;
- expected dividend rate equal to 3.90% per year.

As regards "non-market based" component related to economic and financial performance, unlike the "market based" performance conditions and according to the accounting principle, it must be updated periodically at each reporting date to take into account the expectations relating to the number of rights that may accrue. In this regard, it is assumed that the performance condition which allows the vesting of approximately 40% of the assigned rights will be achieved.

For the ESG bonus/malus component, it is assumed that the target will be achieved.

Based on the assumptions made, the unit fair value of these options amounted to Euro 2.60.

With reference to the assumptions for the first and second cycle of assignments, please refer to the Annual Consolidated Financial Statements.

The charge for the three months ended 31 March 2025, amounting to Euro 0.6 million (Euro 0.2 million for the three months ended 31 March 2024), was recorded in the income statement among Personnel costs, with a corresponding offset in equity reserves.

2.4. Recently issued accounting standards

2.4.1. Accounting standards, amendments effective from 1 January 2025

The following list illustrates the new standards and interpretations approved by the IASB, endorsed by the EU and applied since 1 January 2025:

	Endorsed by the UE	Effective date
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (issued on 15 August 2023)	YES	Accounting periods beginning on or after 1 January 2025

The adoption of these amendments did not have significant impacts on the Condensed Consolidated Interim Financial Statements.

2.4.2. Accounting standards, amendments and interpretations not yet endorsed by the EU

As of the date of approval of the Condensed Consolidated Interim Financial Statements, the following standards and amendments had not yet been endorsed by the EU:

	Endorsed by the EU	Effective date
IFRS 19 Subsidiaries without Public Accountability: Disclosures (issued on 9 May 2024)	NO	Accounting periods beginning on or after 1 January 2027
IFRS 18 — Presentation and Disclosure in Financial Statements (Issued on 9 April 2024)	NO	Accounting periods beginning on or after 1 January 2027
Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7 (issued on 18 December 2024)	NO	Accounting periods beginning on or after 1 January 2026
Annual Improvements Volume 11 (issued on 18 July 2024)	NO	Accounting periods beginning on or after 1 January 2026
Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) (issued on 30 May 2024)	NO	Accounting periods beginning on or after 1 January 2026

It should be noted that the effects that the application of the aforementioned accounting standards could potentially have on the Group's financial statements are currently being assessed by the management.

3. Management of financial risks

As of 31 March 2025, there were no changes in financial risks compared to the Annual Consolidated Financial Statements.

4. Seasonality or cyclical aspect of interim transactions

The Group's activities show no significant seasonal or cyclical variations.

5. Financial assets and liabilities by category

Financial assets and liabilities, other than derivative financial instruments, are initially recognized at fair value and subsequently measured at amortized cost, calculated using the effective interest method. Except in the case of the bonds, the fair values of such instruments do not differ materially from their book values as they were short-term or valued at market rates and, consequently, their fair value is deemed to be substantially in line with their book value.

As of the reporting date, the fair values of the notes issued on 1 June 2023, on 14 December 2023 and on 29 May 2024 amounted to Euro 588.5 million, Euro 502.7 million and Euro 919.0 million, respectively.

The following table shows the financial instruments measured at fair value according to the valuation technique used:

(In thousands of Euro)	**Level 1**	**Level 2**	**Level 3**	**As of 31 March 2025**
Derivative financial instruments assets	-	11	-	11
Derivative financial instruments liabilities	-	(10,937)	-	(10,937)
Total	**-**	**(10,926)**	**-**	**(10,926)**

(In thousands of Euro)	**Level 1**	**Level 2**	**Level 3**	**As of 31 December 2024**
Derivative financial instruments assets	-	18	-	18
Derivative financial instruments liabilities	-	(11,407)	-	(11,407)
Total	**-**	**(11,389)**	**-**	**(11,389)**

With regard to the financial instruments existing as of 31 March 2025, there are no transfers between the above categories.

6. Operating segments

As of 31 March 2025 there were no changes on the approach adopted by the management for the representation of the operating segments compared to the Annual Consolidated Financial Statements, to which we refer for further details, except for the accounting treatment of associates in which the Group holds an interest of more than 50%. In particular, the Group's management monitors the performance of the operating segments by assuming the full consolidation of the aforementioned associates, in line with the approach set out in IFRS 10 - Consolidated Financial Statements, rather than the equity method as prescribed by IAS 28 - Investments in Associates and Joint Ventures, which is applied in the preparation of the Group's consolidated financial statements.

Operating segments are monitored based on: (i) total revenues and income for reportable segment and (ii) Adjusted EBITDA for reportable segment. Adjusted EBITDA is defined as net profit for the period adjusted for: (i) income tax expense; (ii) finance income; (iii) finance expenses; (iv) share of profit/(loss) of equity accounted investments; (v) depreciation, amortization and impairments; (vi) Adjusted EBITDA, (as defined herein), of equity accounted investments in which the Group holds an interest of more than 50% (vii) costs related to M&A and international activities; (viii) integration costs (including expenses on corporate restructuring, redundancy and costs incurred in relation to renegotiated contracts); and (ix) other income and expenses that, in view of their nature, are not reasonably expected to recur in future periods. Management believes that the aforementioned indicators provide a good indication of the performance of the Group's operating segments.

The following table provides details of Group operating segments for the three months ended 31 March 2025 and 2024 analyzed by the Group's management.

	Online		**Sports Franchise**		**Gaming Franchise**		**Total reportable segment**	
(In thousands of Euro)	**Mar '25**	**Mar '24**	**Mar '25**	**Mar '24**	**Mar '25[(a)]**	**Mar '24**	**Mar '25**	**Mar '24**
Revenues toward third parties [(b)]	239,816	150,395	150,410	94,359	195,511	195,325	585,737	440,079
Other income toward third parties	553	703	787	664	2,088	2,508	3,428	3,875
Intragroup Revenues and Other income	3,278	6,678	929	2,373	2,492	3,773	6,699	12,824
Total Revenues and income	**243,647**	**157,776**	**152,126**	**97,396**	**200,091**	**201,606**	**595,864**	**456,778**
Adjusted EBITDA	**128,474**	**82,935**	**45,650**	**19,702**	**46,350**	**46,884**	**220,474**	**149,521**
Adjusted EBITDA Margin [(c)]	*53.6%*	*55.1%*	*30.4%*	*20.9%*	*23.7%*	*24.0%*	*37.6%*	*34.0%*

(a) Includes the results of the Cristaltec group, in line with the approach adopted by management to monitor the results of the operating segments.
(b) Revenues toward third parties in Gaming Franchise operating segment were as follows: (i) Euro 70,873 thousand for the three months ended 31 March 2025 related to the AWP product line (Euro 71,110 thousand for the three months ended 31 March 2024), (ii) Euro 109,270 thousand for the three months ended 31 March 2025 related to the VLT product line (Euro 112,319 thousand for the three months ended 31 March 2024), and (iii) Euro 15,368 thousand for the three months ended 31 March 2025 related to the Retail and Street Operations product line (Euro 11,896 thousand for the three months ended 31 March 2024).
(c) Adjusted EBITDA Margin defined as Adjusted EBITDA / Revenues toward third parties.

The following table shows the reconciliation of total revenue for the periods indicated:

	For the three months ended 31 March	
(In thousands of Euro)	**2025**	**2024**
Total Revenues and Other income for reportable segment	595,864	456,778
Elimination of intersegment revenues	(6,699)	(12,824)
Elimination of revenues and other income from equity accounted investments	(1,535)	-
Consolidated Revenues and income	**587,630**	**443,954**

The following table shows the reconciliation of Adjusted EBITDA for the periods indicated:

(In thousands of Euro)	For the three months ended 31 March 2025	2024*
Total Adjusted EBITDA for reportable segment	**220,474**	**149,521**
Elimination of Adjusted EBITDA from equity accounted investments	(936)	-
Costs not included in Adjusted EBITDA	(39,431)	(5,799)
of which:		
- monetary	*(29,746)*	*(5,630)*
- non-monetary	*(9,685)*	*(169)*
Depreciation, amortization and impairments	(64,932)	(52,297)
Finance income	670	6,008
*of which non-recurring finance income ***	-	*5,031*
Finance expenses	(38,240)	(45,291)
*of which non-recurring finance expenses ***	-	*(8,355)*
Share of profit of equity accounted investments	205	-
Profit before tax	**77,810**	**52,142**

*The figures for the three months ended 31 March 2024 have been restated following the completion of the purchase price allocation relating to Ricreativo B S.p.A.
** For details of non-recurring financial income and expenses, please refer to Note 8.8.

7. Business combinations and acquisition of businesses

The acquisitions made during the three months ended 31 March 2025 are briefly described below.

7.1. Acquisition of businesses

As part of the distribution insourcing strategy relating to the Gaming Franchise segment, the assets acquired and liabilities assumed through acquisitions of business units for the three months ended 31 March 2025 are summarized below:

(In thousands of Euro)	Fair Value at acquisition date
Property, plant and equipment	1,398
Trade receivables	195
Cash and cash equivalents	218
Employee benefit liabilities	(272)
Trade payables	(308)
Other liabilities	(59)
Net acquired assets (liabilities) (A)	**1,172**
Purchase price (B)	13,910
Goodwill (B) - (A)	**12,738**

The difference between the purchase price and the fair value of the net assets acquired was recognized as goodwill allocated to the Gaming Franchise segment. As of 31 March 2025, the cash flow relating to the total consideration paid for the acquisition of the businesses amounted to Euro 11.0 million.

8. Notes to the consolidated statement of comprehensive income

8.1. Revenues

“Revenues” amounted to Euro 584.5 million for the three months ended 31 March 2025, an increase of Euro 144.4 million compared to Euro 440.1 million for the three months ended 31 March 2024. The increase was mainly due to the contribution of PWO for Euro 86.1 million as well as to the effect of the particularly favorable payout of sports betting compared to the corresponding period of the previous year.

8.2. Other income

“Other income” amounted to Euro 3.1 million (of which Euro 0.2 million related to PWO) for the three months ended 31 March 2025 (Euro 3.9 million for the three months ended 31 March 2024) and mainly included: (i) income from services and re-charge to the sales point operators of the Gaming Franchise and Sports Franchise network; (ii) income from the re-sale of consumables and provision of services in halls; (iii) income from the transfer to the supply-chain of costs incurred in relation to the acquisition of AWP NOE and NOD concession agreements; and (iv) income from compensation, indemnification and income from other operations.

8.3. Cost of services

The following table provides a breakdown of “Cost of services”:

	For the three months ended 31 March	
(In thousands of Euro)	**2025**	**2024**
Distribution network compensation	(238,790)	(183,497)
Fee on gaming platform licenses	(33,556)	(24,801)
Concession Fee	(16,001)	(13,502)
Bank and insurance expenses	(14,373)	(10,272)
Marketing and advertising	(11,359)	(6,616)
Utility costs, postal and logistics costs, security services	(6,109)	(5,216)
Technical assistance and network management	(4,817)	(4,244)
Leases and rentals	(4,051)	(1,740)
Tax, administrative and legal consultancy costs	(3,791)	(3,673)
Data transmission	(2,316)	(1,922)
Pay-TV	(1,607)	(1,368)
Board of Directors remunerations and costs	(964)	(873)
Other	(7,900)	(7,386)
Total	**(345,634)**	**(265,110)**

Cost of services amounted to Euro 345.6 million for the three months ended 31 March 2025 (of which Euro 60.9 million related to PWO), an increase of Euro 80.5 million compared to Euro 265.1 million for the three months ended 31 March 2024.

For the analysis of these cost items, the supply chain remuneration model should be considered (as they may be linked to bet trends or revenue sharing mechanisms – such as, for example, in the case of “Distribution network compensation”, “Fee on gaming platform licenses” or “Concession Fee”), which means that this cost item varies in line with revenues.

The increase in “Leases and rentals” was mainly due to the contribution of PWO for Euro 1.6 million.

The increase in “Bank and insurance expenses” was mainly due to PWO for Euro 1.7 million and the higher commissions on credit card transactions following the increase in transaction volumes.

“Marketing and advertising expenses” increased by Euro 4.7 million mainly due to the contribution of PWO for Euro 1.5 million and costs for events at the gaming halls and other marketing campaigns.

8.4. Personnel expenses

The following table provides a breakdown of “Personnel expenses”:

	For the three months ended 31 March	
(In thousands of Euro)	**2025**	**2024**
Remuneration	(28,423)	(18,856)
Social security contributions	(8,867)	(6,063)
Other personnel costs	(3,825)	(1,125)
Total	**(41,115)**	**(26,044)**

Personnel expenses amounted to Euro 41.1 million for the three months ended 31 March 2025 (of which Euro 5.6 million related to PWO), an increase of Euro 15.1 million compared to Euro 26.0 million for the three months ended 31 March 2024.

It should be noted that the item does not include capitalized personnel expenses related to the development of internal software, amounting to Euro 5.0 million for the three months ended 31 March 2025 (Euro 3.2 million for the three months ended 31 March 2024).

The item also includes the charge related to the long-term incentive plan amounting to Euro 0.6 million for the three months ended 31 March 2025 (Euro 0.2 million for the three months ended 31 March 2024).The following table shows Group employee numbers by category:

	Number as of 31 March 2025	Average number for the three months ended 31 March 2025	Number as of 31 March 2024	Average number for the three months ended 31 March 2024
Executives	59	59	50	50
Middle managers	231	232	194	193
White collar	1,577	1,587	1,449	1,452
Blue collar	392	406	271	261
Foreign employees	401	383	-	-
Total	**2,660**	**2,667**	**1,964**	**1,956**

8.5. Other operating costs

The following table provides a breakdown of “Other operating costs”:

	For the three months ended 31 March	
(In thousands of Euro)	**2025**	**2024**
Purchase of goods and other purchases	(3,758)	(3,538)
Taxes and sundry duties	(2,767)	(1,762)
Entertainment expenses	(786)	(1,014)
Fines, penalties and losses on receivables	(178)	-
Other expenses	(3,416)	(2,515)
Total	**(10,905)**	**(8,829)**

The increase of “Taxes and sundry duties” was mainly due to the contribution of the acquired companies during the 2024, while the increase of “Other expenses” was mainly due to the contributions made to Lottomatica Foundation.

8.6. Depreciation, amortization and impairments

The following table provides a breakdown of “Depreciation, amortization and impairments”:

	For the three months ended 31 March	
(In thousands of Euro)	**2025**	**2024***
Amortization of intangible assets	(47,394)	(37,196)
of which purchase price allocation	*(18,424)*	*(14,614)*
Depreciation of property, plant and equipment	(12,014)	(10,153)
Depreciation of investment property	(7)	(7)
Depreciation of right of use	(5,517)	(4,941)
Total	**(64,932)**	**(52,297)**

*The figures for the three months ended 31 March 2024 have been restated following the completion of the purchase price allocation relating to Ricreativo B S.p.A.

Depreciation, amortization and impairments amounted to Euro 64.9 million for the three months ended 31 March 2025 (of which Euro 5.4 million related to PWO), an increase of Euro 12.6 million compared to Euro 52.3 million for the three months ended 31 March 2024.

For further details regarding movements in intangible assets, property, plant and equipment and rights of use, please refer to Note 9.1, 9.3 and 9.4, respectively.

8.7. Impairment of receivables and financial assets and other (accruals) / releases

The following table provides a breakdown of “Impairment of receivables and financial assets” and “Other (accruals)/releases”:

	For the three months ended 31 March	
(In thousands of Euro)	**2025**	**2024**
(Provision) / release for impairment of receivables and financial assets	(9,937)	(249)
(Provision) / release for risks and charges	68	-
Total	**(9,869)**	**(249)**

Provisions are stated net of releases.

For further details regarding movements in the “Provision for impairment of receivables and financial asset” see Notes 9.7 and 9.12.

8.8. Net finance expenses

The following table provides a breakdown of “Net finance expenses”:

	For the three months ended 31 March	
(In thousands of Euro)	**2025**	**2024**
Other interest income	670	6,008
Total finance income	**670**	**6,008**
Interest expenses on May 2024 Notes	(10,833)	-
Interest expenses on December 2023 Notes	(4,987)	(5,058)
Interest expenses on June 2023 Notes	(10,064)	(18,555)
Interest expenses on 2022 Notes	-	(8,531)
Amortized cost on May 2024 Notes	(329)	-
Amortized cost on December 2023 Notes	(394)	(359)
Amortized cost on June 2023 Notes	(528)	(1,284)
Amortized cost on 2022 Notes	-	(412)
IRS interest expense	(5,402)	(5,668)
Commission on sureties	(1,634)	(1,425)
Interest expenses on Revolving Loan	(1,491)	(1,241)
Leasing interest expense	(1,094)	(1,038)
Other interest expense	(1,484)	(1,720)
Total finance expenses	**(38,240)**	**(45,291)**
Net finance expenses	**(37,570)**	**(39,283)**

“Net finance expenses” amounted to Euro 37.6 million for the three months ended 31 March 2025, a decrease of Euro 1.7 million compared to Euro 39.3 million for the three months ended 31 March 2024. Such change was mainly due to (i) lower interest expenses on notes for Euro 7.1 million, partially offset by (ii) lower non-recurring financial income of Euro 5.0 million related to interest income on the escrow account in 2024 and (iii) higher interest expenses from PWO of Euro 0.6 million.

8.9. Income tax expense

The following table provides a breakdown of "Income tax expense":

	For the three months ended 31 March	
(In thousands of Euro)	**2025**	**2024***
Current taxes	(28,889)	(25,104)
Deferred taxes Purchase price allocation	5,316	4,204
Deferred taxes	(2,696)	(1,376)
Total	**(26,269)**	**(22,276)**

*The figures for the three months ended 31 March 2024 have been restated following the completion of the purchase price allocation relating to Ricreativo B S.p.A..

Lottomatica Group S.p.A., the current Italian parent company, has opted, as the consolidating entity, for the national tax consolidation regime with the controlled companies that meet the requirements for participation in the Group's taxation.

Current taxes mainly include:

- IRES tax expenses for Euro 21.9 million;
- IRAP tax expenses for Euro 7.0 million.

Deferred taxes mainly include:

- the release of deferred tax expenses by purchase price allocation for Euro 5.3 million;
- the release of deferred tax income on temporary differences for Euro 2.7 million.

9. Notes to the consolidated statement of financial position

9.1. Intangible assets

The following table provides a breakdown of "Intangible assets" and movements during the periods under review:

(In thousands of Euro)	Software	Concessions	Trademarks	Assets under development and other intangible	Network Relationship	Total
Cost as of 31 December 2024	**174,565**	**180,901**	**266,397**	**78,282**	**513,221**	**1,213,366**
Accumulated amortization as of 31 December 2024	**(104,484)**	**(180,614)**	**(57,459)**	**(41,796)**	**(131,060)**	**(515,413)**
Net book amount as of 31 December 2024	**70,081**	**287**	**208,938**	**36,486**	**382,161**	**697,953**
Additions	935	154,831	1	10,069	-	**165,836**
Amortization for the period	(6,532)	(19,156)	(4,423)	(3,575)	(13,708)	**(47,394)**
of which purchase price allocation						
Gamenet group	*(312)*	-	*(1,203)*	-	*(978)*	***(2,493)***
IGT business	-	-	*(1,597)*	-	*(4,426)*	***(6,023)***
Giocaonline	-	-	-	-	*(244)*	***(244)***
Marim	-	-	-	-	*(96)*	***(96)***
Betflag	-	-	*(717)*	-	*(2,993)*	***(3,710)***
Ricreativo B	-	-	*(85)*	-	*(290)*	***(375)***
SKS365	-	-	*(769)*	-	*(4,682)*	***(5,451)***
Disposal	-	-	(7)	(26)	-	**(33)**
Reclassifications	1,093	109	-	(1,142)	-	**60**
Cost as of 31 March 2025	**176,545**	**335,578**	**266,391**	**90,402**	**513,221**	**1,382,137**
Accumulated amortization as of 31 March 2025	**(110,968)**	**(199,507)**	**(61,882)**	**(48,590)**	**(144,768)**	**(565,715)**
Net book amount as of 31 March 2025	**65,577**	**136,071**	**204,509**	**41,812**	**368,453**	**816,422**

Additions on "Software" mainly related to the purchase of software licenses required for bets collection and management activities for approximately Euro 0.1 million and for the upgrade of the SAP ERP system for Euro 0.1 million and the purchase of software for Euro 0.7 million.

Additions on "Concessions" mainly related to the two-year extension 2025 - 2026 of the Gaming Franchise concessions held by Gamenet S.p.A. and Lottomatica Videolot Rete S.p.A. and the Sports Franchise concessions held by GBO Italy S.p.A. and PWO.

"Trademarks" mainly related to the values attributed in the purchase price allocation process to the right to use the "Goldbet", "Intralot" "Billions", "Betflag", "Ricreativo" and "Planetwin365" trademarks, as well as those of the acquired IGT business.

Additions on "Assets under development and other intangible" mainly related to development costs relating to software for Euro 6.2 million, as well as capitalization of NOE and Entry Fees, amounting to Euro 3.2 million.

9.2. Goodwill

The following table provides a breakdown of “Goodwill” for the periods under review:

(In thousands of Euro)	Total
Balance as of 31 December 2024	**2,048,563**
Acquisitions	12,636
Balance as of 31 March 2025	**2,061,199**

The increase of “Goodwill” mainly related to the acquisitions during the period.

As of 31 March 2025, no indicators of impairment had been identified.

9.3. Property, plant and equipment

The following table provides a breakdown of “Property, plant and equipment” and movements during the periods under review:

(In thousands of Euro)	Gaming Hardware	Other assets	Furniture	Leasehold improvements	Assets under development and payments on account	Total
Cost as of 31 December 2024	**115,257**	**67,827**	**38,357**	**64,517**	**19,383**	**305,341**
Accumulated depreciation as of 31 December 2024	**(76,825)**	**(28,350)**	**(16,907)**	**(34,799)**	**-**	**(156,881)**
Net book amount as of 31 December 2024	**38,432**	**39,477**	**21,450**	**29,718**	**19,383**	**148,460**
Additions	5,155	1,116	781	1,847	392	**9,291**
Business acquisition	1,269	41	88	-	-	**1,398**
Disposals	(12)	85	-	(12)	(1,280)	**(1,219)**
Depreciation for the period	(5,545)	(2,774)	(1,142)	(2,553)	-	**(12,014)**
Reclassifications	8,702	(3,172)	(4,640)	192	(1,142)	**(60)**
Cost as of 31 March 2025	**143,979**	**53,919**	**31,311**	**64,031**	**17,353**	**310,593**
Accumulated depreciation as of 31 March 2025	**(95,978)**	**(19,146)**	**(14,774)**	**(34,839)**	**-**	**(164,737)**
Net book amount as of 31 March 2025	**48,001**	**34,773**	**16,537**	**29,192**	**17,353**	**145,856**

Additions to “Gaming hardware” mainly related to AWP game cards of Euro 2.2 million and hardware equipment and devices in betting shops of Euro 2.9 million.

Additions to “Other assets” mainly related to the purchase of iCash and My Pay devices for Euro 0.2 million, to facilities and equipment in the halls amounting to Euro 0.4 million and to the purchase of office equipment and IT security equipment of Euro 0.5 million.

Additions to “Furniture” mainly relates to redevelopment and optimization project of the gaming halls.

Additions to "Leasehold Improvements" are mainly linked to the completion of the works on the halls that have become operational and the set-up of new corners in the halls.

Additions to “Assets under development and payments on account” mainly relates to the purchase of furniture and fittings and down payments for the purchase of new gaming devices and other IT equipment for the set-up of new betting points of sale not yet in operation.

9.4. Right of use

The following table provides a breakdown of “Right of use” and movements during the period under review:

(In thousands of Euro)	Land, Buildings and Offices	Gaming halls	Vehicles	Other	Right of Use
Balance as of 31 December 2024	**15,188**	**52,032**	**7,111**	**67**	**74,398**
Depreciation	(1,251)	(3,429)	(827)	(11)	(5,518)
Additions	2,530	3,026	1,414	-	6,970
Disposal	(270)	(72)	(127)	-	(469)
Balance as of 31 March 2025	**16,197**	**51,557**	**7,571**	**56**	**75,381**

The increase for the period relates to: (i) the renewal of certain lease agreements; (ii) the increase in rents due to ISTAT increases which led to the recalculation of the value of the assets; and (iii) new lease contracts.

9.5. Equity accounted investments

As of 31 March 2025, the item amounted to Euro 5.6 million and related to the investment in Cristaltec S.p.A.. On 13 January 2025, Lottomatica Videolot Rete S.p.A. completed the acquisition of 60% of the share capital of Cristaltec S.p.A. Subsequently, on 31 March 2025, Lottomatica Videlot Rete S.p.A. converted part of its shares into non-voting shares, reducing its voting rights to 37.4% from the original 60%. Therefore, since control requirements pursuant to IFRS 10 are not met, the investment in Cristaltec S.p.A. is recognized using the equity method, as the Group exercises significant influence, but not control, over the investee.

9.6. Current and non-current financial assets

The following table provides a breakdown of “Current and non-current financial assets”:

(In thousands of Euro)	As of 31 March 2025	As of 31 December 2024
Cash held by operators	23,466	23,293
Escrow account	5,120	5,174
Merchant accounts and restricted cash	278	429
Interest rate swap assets	11	18
Other	13,599	3,519
Total	**42,474**	**32,433**

“Cash held by operators” relates to cash in machines (i.e., in the hoppers and change machines) owned by Group but managed by external operators, amounting to Euro 7.2 million, Euro 12.1 million and Euro 3.7 million, for Gamenet S.p.A., Lottomatica Videolot Rete S.p.A. and Big Easy S.r.l. as of 31 March 2025, respectively.

The item “Other” mainly includes the advance of Euro 10.1 million paid for the acquisition of 65% of the share capital of Distante S.r.l., completed on 1 April 2025 (for further details, please refer to Note 11.3.1).

The following table provides a summary of key information relating to financial assets:

(In thousands of Euro)	**As of 31 March 2025**	*of which current*	**As of 31 December 2024**	*of which current*
Cash held by operators	23,466	23,466	23,293	23,293
Escrow account	5,120	5,120	5,174	5,174
Merchant accounts and restricted cash	278	-	429	201
Interest rate swap assets	11	11	18	18
Other	13,599	11,829	3,519	1,710
Total	**42,474**	**40,426**	**32,433**	**30,396**

9.7. Current and non-current trade receivables

The following table provides a breakdown of “Current and non-current trade receivables”:

In thousands of Euro)	**As of 31 March 2025**	**As of 31 December 2024**
Concessionaire’s receivables from operators/TIR	94,998	73,954
Receivables from betting operators	28,348	20,648
Receivables from customers	7,674	7,253
Other receivables from distribution network	6,061	7,187
Receivables guaranteed by formal commitments	3,272	2,572
Receivables for penalties and interest on delayed payments	374	373
Allowance for doubtful receivables	(43,697)	(34,002)
Total	**97,030**	**77,985**

“Concessionaire’s receivables from operators/TIR” mainly comprises receivables relating to bet activities (mainly PREU, concession fees and other amounts owing to the concessionaires). As of 31 March 2025, Euro 42.4 million relates to Gamenet S.p.A and Euro 52.6 million relates to Lottomatica Videolot Rete.

The following table shows details of movements in the allowance for doubtful receivables:

(In thousands of Euro)	
Balance as of 31 December 2024	**34,002**
Provisions net of releases	9,937
Utilization	(160)
Reclassification	(82)
Balance as of 31 March 2025	**43,697**

The movement for the period was due to the provision of Euro 9.5 million relating to trade receivables from the supply chain, recognized in connection with the 2015 Italian Stability Law following the ruling of the Italian Council of State. For further details, please refer to Note 11.2.5.

9.8. Other current and non-current assets

The following table provides a breakdown of “Other current and non-current assets”:

(In thousands of Euro)	**As of 31 March 2025**	**As of 31 December 2024**
ADM guarantee deposits	64,970	52,087
Gaming online accounts	56,840	56,458
Accrued income and prepayments	33,291	22,940
Tax receivables	10,532	12,681
Gaming halls receivables	10,333	16,351
Guarantee deposits	4,560	13,811
Other receivables	5,584	3,566
Total	**186,110**	**177,894**

“ADM guarantee deposits” represents 0.5% of amounts waged using devices connected to the online network. Such deposits are reimbursed to the concessionaire when certain service levels are achieved in the first half of the following year.

"Accrued income and prepayments" mainly included the recognition of prepaid expenses on arrangement fees and underwriting fees for the Revolving Credit Facility and prepaid expenses for the costs related to the sureties paid against the concessions’ renewals. The increase of Euro 10.4 million was mainly due to the higher prepaid expenses on the above-mentioned sureties.

The following table provides a summary of key information relating to other assets:

(In thousands of Euro)	**As of 31 March 2025**	*of which current*	**As of 31 December 2024**	*of which current*
ADM guarantee deposits	64,970	64,970	52,087	52,087
Gaming online accounts	56,840	56,840	56,458	56,458
Accrued income and prepayments	33,291	21,713	22,940	14,247
Tax receivables	10,532	8,761	12,681	10,340
Gaming halls receivables	10,333	10,333	16,351	16,351
Guarantee deposits	4,560	296	13,811	9,443
Other receivables	5,584	5,169	3,566	3,153
Total	**186,110**	**168,082**	**177,894**	**162,079**

9.9. Cash and cash equivalents

The following table provides a breakdown of “Cash and cash equivalents”:

(In thousands of Euro)	**As of 31 March 2025**	**As of 31 December 2024**
Bank deposits	198,446	130,299
Cash on hand	33,435	33,857
Total	**231,881**	**164,156**

Reference is made to the Consolidated Statement of Cash Flows for further details regarding movements during the period in Cash and cash equivalents.

9.10. Shareholders’ equity

A description of changes in Shareholders’ equity as of 31 March 2025 can be found in the Consolidated Statement of Changes in Equity.

9.10.1. Equity attributable to the owners of the parent

The Company's share capital amounted to Euro 10.0 million as of 31 March 2025 and was divided into 251,630,412 ordinary shares without nominal value.

The cash flow hedge reserve is negative, net of its related tax effect, and amounting to Euro 8.3 million (negative for Euro 8.7 million as of 31 December 2024).

The equity attributable to the owners of the parent increased by Euro 51.6 million mainly due to the net profit for the period.

9.10.2. Equity attributable to non-controlling interests

The Equity attributable to non-controlling interests increased by Euro 1.0 million mainly due to (i) the result of the period for Euro 1.3 million, partially offset by (ii) the dividends distributed to minority shareholders for Euro 0.4 million.

9.11. Current and non-current financial liabilities

The following table provides a breakdown of “Current and non-current financial liabilities”:

(In thousands of Euro)	**As of 31 March 2025**	**As of 31 December 2024**
May 2024 Notes	890,425	890,096
December 2023 Notes	488,131	487,737
June 2023 Notes	556,786	556,258
Accrued interest – May 2024 Notes	10,338	3,652
Accrued interest – December 2023 Notes	1,736	1,707
Accrued interest – June 2023 Notes	13,419	3,355
Payables for leasing	81,906	81,169
Put option liability	57,320	56,614
Payables for acquisitions	41,479	51,129
Interest Rate Swap liabilities	12,617	13,147
Bank borrowings	2,000	2,561
Other financial payables	772	1,402
Total	**2,156,929**	**2,148,827**

The increase was mainly due to interest accrued on the outstanding notes, partially offset by the payables for acquisitions paid during the period, in particular for the deferred price of GoldBet acquisition (now GBO Italy S.p.A.).

The spread applicable at the current date in the event of utilizing the revolving credit facility of Euro 400 million (“**Revolving Credit Line**”) is 3.25%. As of 31 March 2025, the Test Condition is not met as the revolving credit facility was not utilized. For further details on current and non-current financial liabilities, please refer to the Annual Consolidated Financial Statements.

The following table provides a summary of key information relating to financial liabilities:

(In thousands of Euro)	**As of 31 March 2025**	*of which current*	**As of 31 December 2024**	*of which current*
Notes	1,935,342	-	1,934,091	-
Accrued interest on Notes	25,493	25,493	8,714	8,714
Payables for acquisitions	41,479	37,194	51,129	46,840
Payables for leasing	81,906	22,442	81,169	21,552
Put option liability	57,320	21,110	56,614	18,348
Interest Rate Swap liabilities	12,617	1,680	13,147	1,740
Bank borrowings	2,000	1,549	2,561	1,795
Other financial payables	772	772	1,402	1,402
Total	**2,156,929**	**110,240**	**2,148,827**	**100,391**

The following table provides changes in liabilities arising from financing activities as required by IAS7:

(In thousands of Euro)	**As of 31 December 2024**	Cash flow from financing activities	Non-cash changes	**As of 31 March 2025**
Notes	1,934,091	-	1,251	1,935,342
Accrued interest on Notes	8,714	(9,105)	25,884	25,493
Payables for acquisitions	51,129	(28,980)	19,330	41,479
Payables for leasing	81,169	(6,825)	7,562	81,906
Put option liability	56,614	-	706	57,320
Interest Rate Swap liabilities	13,147	(5,462)	4,932	12,617
Bank borrowings	2,561	(561)	-	2,000
Other financial payables	1,402	(927)	297	772
Total	**2,148,827**	**(51,860)**	**59,962**	**2,156,929**

Total Net Financial Indebtedness

The following is a breakdown of the composition of the Group's Net Financial Indebtedness as of 31 March 2025 compared with the situation as of 31 December 2024 determined in accordance with CONSOB Communication DEM/6064293 of 28 July 2006, as amended by CONSOB Communication No. 5/21 of 29 April 2021 and in accordance with ESMA Recommendations contained in “Guidelines 32-382-1138 of 4 March 2021 on disclosure requirements under the prospectus regulation”.

(In thousands of Euro)	As of 31 March 2025	As of 31 December 2024
A. Cash	231,881	164,156
B. Cash equivalent	-	-
C. Other current financial assets	40,426	30,396
D. Liquidity (A+B+C)	**272,307**	**194,552**
E. Current financial debt	2,452	3,155
F. Current portion of non-current financial debt	107,788	97,236
G. Current Financial Indebtedness (E+F)	**110,240**	**100,391**
H. Net Current Financial Indebtedness (G-D)	**(162,067)**	**(94,161)**
I. Non-current financial debt	111,347	114,345
J. Debt instruments	1,935,342	1,934,091
K. Non-current trade and other payables*	62,816	-
L. Non-Current Financial Indebtedness (I+J+K)	**2,109,505**	**2,048,436**
M. Net Financial Indebtedness - ESMA (H+L)	**1,947,438**	**1,954,275**

*The item “Non-current trade and other payables” includes the payables for the two-year extension of the concessions in the Gaming Franchise and Sports Franchise segments.

9.12. Provisions for risks and charges

The following table provides a breakdown of “Provisions for risks and charges”:

(In thousands of Euro)	Total
Balance as of 31 December 2024	**6,164**
Provisions/ (Releases)	(68)
Utilizations	(832)
Other movements	32,503
Balance as of 31 March 2025	**37,767**

Provision for risks and charges mainly includes (i) the provisions made by Gamenet and Lottomatica Videolot Rete for non-compliance with the concession-holder network management service level obligations provided for in Annex 2 of the Concession Agreement (Euro 1.1 million as of 31 March 2025); (ii) the “Provision for technological renewals”, which represents periodic provisions made by the Group’s AWP and VLT concession-holders for technological and structural upgrading of the online network and other infrastructures used for gaming-related collection activities (Euro 0.9 million as of 31 March 2025); (iii) the provision related to the ruling of the Italian Council of State for the 2015 Italian Stability Law of Euro 32.5 million, and for the residual part (iv) the provision for legal disputes, to cover estimated costs relating to disputes, including labor-related disputes, with third parties (Euro 3.3 million as of 31 March 2025).

9.13. Other current and non-current liabilities

The following table provides a breakdown of “Other current and non-current liabilities”:

(In thousands of Euro)	As of 31 March 2025	As of 31 December 2024
Public gaming taxes	104,536	49,794
Other payables to tax authorities	72,001	80,475
Payables to tax authorities for PREU	59,361	96,807
Players’ online accounts	56,839	56,458
Payables to employees	20,342	21,969
Payables to distribution network for guarantees	13,781	14,014
Provision for Jackpot and VLT tickets to be validated	11,696	11,810
Payables to social security institutions	9,201	8,862
Payables to other concessionaires for bets/wagers collection	8,321	9,248
Concession fee payables	7,063	14,880
Other payables	159,936	15,958
Total	**523,077**	**380,275**

“Public gaming taxes” as of 31 March 2025 included the gaming tax balance owing for the three months ended 31 March 2025 in respect of January-April 2025 that will be paid on 31 August 2025. The amount due as of 31 December 2024, on the other hand, related to the gaming tax balance owing in respect of the single month of December, which was paid in January 2025.

The decrease of “Other payables to tax authorities” was mainly due to the payments due to Italian tax authorities following the application for facilitated adhesion to the pending dispute filed in 2023 on tax notices related to betting duties of PWO.

“Payables to tax authorities for PREU” as of 31 March 2025 included the balance relating to the second period of 2025 (March-April) to be paid in May 2025. It should be noted that the amount as of 31 December 2024, on the other hand, included the balance relating to the sixth period of 2024, which was paid in January 2025.

“Concession fee payables” mainly related to the concession-fee owing in respect of the second period of 2025, due to be paid in May 2025. It should be noted that the amount as of 31 December 2024, on the other hand, included the balance relating to the concession-fee owing in respect of the sixth period of 2024, which was paid in January 2025.

The item "Other payables" mainly included Euro 140.2 million as of 31 March 2025 related to payables for the extension of concessions, of which Euro 67.4 million for the Sports Franchise concessions of GBO Italy S.p.A. and PWO, and Euro 72.8 million for the Gaming Franchise concessions of Gamenet S.p.A. and Lottomatica Videolot Rete S.p.A..

Other payables also included payables relating to sports bets, amounting to Euro 7.8 million as of 31 March 2025 (Euro 4.1 million as of 31 December 2024). At the same date, the item also included payables related to casino games, poker and bingo related jackpots amounting to Euro 3.8 million (Euro 4.2 million as of 31 December 2024).

The following table provides a summary of key information relating to other liabilities:

(In thousands of Euro)	**As of 31 March**	*of which current*	**As of 31 December 2024**	*of which current*
Public gaming taxes	104,536	104,536	49,794	49,794
Other payables to tax authorities	72,001	38,906	80,475	41,225
Payables to tax authorities for PREU	59,361	59,361	96,807	96,807
Players' online accounts	56,839	56,840	56,458	56,458
Payables to employees	20,342	20,342	21,969	21,969
Payables to distribution network for guarantees	13,781	254	14,014	261
Provision for Jackpot and VLT tickets to be validated	11,696	11,696	11,810	11,810
Payables to social security institutions	9,201	9,201	8,862	8,862
Payables to other concessionaires for bets/wagers collection	8,321	8,321	9,248	9,235
Concession fee payables	7,063	7,063	14,880	14,880
Other payables	159,936	96,941	15,958	15,774
Total	**523,077**	**413,461**	**380,275**	**327,075**

9.14. Current and non-current trade payables

The following table provides a breakdown of "Current and non-current trade payables":

(In thousands of Euro)	**As of 31 March 2025**	**As of 31 December 2024**
Invoices to be received	62,714	65,582
Trade payables	22,863	33,876
Payables to operators	28,663	28,972
Payables relating to remuneration in respect of collection activities - VLT	2,001	2,659
Payables relating to remuneration in respect of collection activities - AWP	1,841	2,613
Total	**118,082**	**133,702**

10. Related party transactions

Related parties transactions are mainly attributable to commercial, administrative and financial relationships. These operations are part of normal business management, within the typical activity of each interested party, and are regulated at market conditions. The Group has or had relationships with the following related parties:

- IMA S.r.l. (only in 2024) and Cristaltec S.p.A. ("**Associates**");
- Key Management Personnel (for further details, please refer to the paragraph below).

The following table shows Group receivables and payables due from/to related parties:

	As of 31 March 2025				
(In thousands of Euro)	Associates	Key management personnel	**Total related parties**	**Total reported amount**	**Related party % of total**
Current trade payables	869	-	**869**	**118,082**	0.7%
Current trade receivables	71	-	**71**	**96,538**	0.1%
Other current liabilities	-	888	**888**	**413,461**	0.2%

	As of 31 December 2024			
(In thousands of Euro)	Key management personnel	**Total related parties**	**Total reported amount**	**Related party % of total**
Other current liabilities	2,441	**2,441**	**327,075**	0.7%

The following table shows Group revenues and expenses due from/to related parties:

	For the three months ended 31 March 2025				
(In thousands of Euro)	Associates	Key management personnel	**Total related parties**	**Total reported amount**	**% of total**
Cost of services	(296)	-	**(296)**	**(345,634)**	0.1%
Personnel expenses	-	(3,217)	**(3,217)**	**(41,115)**	7.8%

	For the three months ended 31 March 2024				
(In thousands of Euro)	Associates	Key management personnel	**Total related parties**	**Total reported amount**	**% of total**
Personnel expenses	-	(1,172)	**(1,172)**	**(26,044)**	4.5%
Other income	3	-	**3**	**3,875**	0.1%
Other operating costs	(19)	-	**(19)**	**(8,829)**	0.2%

In 2024, transactions with Associates were related to the commercial relationships between IMA S.r.l. and Marim S.r.l.. It should be noted that in December 2024, the Group acquired control of the company through Marim S.r.l..

In 2025, transactions with Associates are related to the commercial relationships with the associate Cristaltec S.p.A..

Key management personnel

The following table provides a breakdown of the remuneration attributable to Group's key management personnel for the three months ended 31 March 2025 and 2024.

(In thousands of Euro)	**For the three months ended 31 March 2025**	**2024**
Bonus una tantum	1,777	-
Remuneration	1,105	962
Severance indemnity	217	67
Social security contributions	118	143
Total	**3,217**	**1,172**

11. Other information

11.1. Commitments and risks

11.1.1. Guarantees granted in favor of third parties

It is noted that as of 31 March 2025, the Group had granted concession related guarantees in favor of the ADM amounting to Euro 425.1 million. For details regarding guarantees relating to the notes, please refer to Annual Consolidated Financial Statements.

11.1.2. Contingent liabilities

Other than as reported at Note 11.2 below, management is not aware of any disputes or legal action that could reasonably have significant repercussions on the Group's operating results, financial position or cash flows compared to what already mentioned in the Annual Consolidated Financial Statements.

11.1.3. Significant non-recurring events and transactions

As required by Consob Communication DEM/6064293 dated 28 July 2006 and in accordance with the ESMA Guidelines/2015/1415, the effects of non-recurring events and transactions on profit or loss are detailed below:

(In millions of Euro)	**For the three months ended 31 March 2025**	**Profit before tax**	**Financial Position**
Costs not included in Adjusted EBITDA			
Cost related to M&A and international activities	(1.1)	✓	
Integration costs	(10.6)	✓	
Other non-recurring expense	(27.7)	✓	
Total	**(39.4)**	**(39.4)**	**-**
Total	**(39.4)**	**(39.4)**	**-**

(In millions of Euro)	**For the three months ended 31 March 2024**	**Profit before tax**	**Financial Position**
Acquisition of SKS365			
Negative carry as of 31 March 2024	(5.0)	✓	
Net income from IRS	1.7	✓	
Total	**(3.3)**	**(3.3)**	**-**
Costs not included in Adjusted EBITDA			
Cost related to M&A, international activities and IPO	(1.7)	✓	
Integration costs	(2.1)	✓	
Other non-recurring expense	(2.0)	✓	
Total	**(5.8)**	**(5.8)**	**-**
Total	**(9.1)**	**(9.1)**	**-**

11.1.4. Atypical/unusual transaction

In accordance with the disclosures required by Consob Communication DEM/6064293 dated 28 July 2006, it should be noted that during the first three months of 2025, the Group did not carry out any atypical and/or unusual transactions.

11.1.5. Compensation to the board of directors and the board of auditors

Compensation due to the members of the Company's Board of Directors and statutory auditors amounted to Euro 0.9 million for the three months ended 31 March 2025.

11.2. Significant events for the period

11.2.1. FIGC court order

For details regarding this claim, see the Annual Consolidated Financial Statements. Subsequent developments are described below.

The Court of Appeal initially postponed the hearing to 16 January 2025, and subsequently to 10 September 2026, for the same procedural activities (final clarification of conclusions).

In light of the above and based on the risk assessment provided by legal counsel, which classified the risk as possible, no further provisions are deemed necessary.

11.2.2. Vat reimbursement

There are no developments subsequent to the disclosures in the Annual Consolidated Financial Statements.

11.2.3. SKS365 litigation

For details regarding this litigation, please refer to the Annual Consolidated Financial Statements. Subsequent developments are described below.

On 27 February 2025, an amount of Euro 6,019,636, including interest and penalties, were paid. On 6 March 2025, an appeal was filed against the decision of the Austrian Federal Tax Court.

11.2.4. Additional 0.5% of bets – “Relaunch” Decree

There are no developments subsequent to the disclosures in the Annual Consolidated Financial Statements.

11.2.5. Other Claims

For details over other claims of the Group deemed significant and the risk where losing the case is considered possible, see the Annual Consolidated Financial Statements. Subsequent developments are described below.

Gaming franchise

Morosini Litigation

There are no developments subsequent to the disclosures in the Annual Consolidated Financial Statements.

Cirsa Litigation

On 30 January 2025, Gamenet S.p.A. was served with a writ of summons by Cirsa Italia S.p.A., which claims an alleged breach of competition laws and, consequently, the extracontractual liability of Gamenet S.p.A. for failing to vacate two VLT halls following the expiration of the relevant contracts, is seeking compensation of approximately Euro 3,500,000.

On 10 April 2025, Gamenet S.p.A. filed its defense in court to oppose this claim, highlighting, among other things, that the two halls are currently operational and that an appeal is pending against the current operator of the two halls (a company belonging to the Cirsa group) regarding the continued validity of the related contracts. The first hearing is scheduled for 20 June 2025.

2015 Italian Stability Law

The 2015 Italian Stability Law imposed a tax of Euro 500 million (the "**Stability Tax**") on concessionaires and operators in the AWP and VLT supply chain. The 2016 Stability Law repealed the Stability Tax for 2016 and subsequent years but did not amend the obligation to pay the Stability Tax for the year 2015. Several concessionaires, including the current ADI gaming concessionaires of the Group, interpreted this measure as a correction aimed at repealing the provisions of the 2015 Italian Stability Law, which placed the responsibility on each individual concessionaire to collect the contribution from all operators in the supply chain. As a result, the Group's concessionaires paid the amounts directly owed by them and the amounts collected from the operators in their respective supply chains, while the remaining amounts due from these operators, which were not paid, remained outstanding. Meanwhile, Gamenet S.p.A., Lottomatica Videolot Rete S.p.A., and other operators challenged the Stability Tax and its mechanism before the competent Regional Administrative Court of Lazio (Tribunale Amministrativo Regionale del Lazio), arguing, among other points, its unconstitutionality. In June 2019, the Regional Administrative Court of Lazio rejected all appeals. Gamenet S.p.A. (with Lottomatica Videolot Rete S.p.A. intervening in an appeal by another concessionaire) and other concessionaires have appealed the decisions in question to the Italian Council of State.

In its ruling of 18 April 2025, the Italian Council of State rejected the appeal of Gamenet S.p.A. and those filed by other concessionaires against the 2019 Regional Administrative Court of Lazio judgments concerning the levy imposed by the Stability Law for the year 2015. The ruling confirmed the obligation for concessionaires to pay the amounts owed by the operators in the supply chain and also upheld their full right to recover from the operators the portion of the levy corresponding to them.

The ruling of the Italian Council of State has increased the risk of an unfavorable outcome, although several appeal options remain available. The Group is currently assessing which course of action to pursue. The Group is exposed to approximately Euro 32 million and is evaluating the likelihood of recovering these amounts from the operators in the supply chain.

The best estimate of the impact has been reflected in the consolidated financial statements based on the information available at the reporting date.

Sports franchise and Online

Draghi - JDL Litigation

There are no developments subsequent to the disclosures in the Annual Consolidated Financial Statements.

11.2.6. Legislative and regulatory provisions introduced in 2025

Reference is made to the Annual Consolidated Financial Statements for details regarding regulatory provisions introduced by the government and the ADM in 2024. Subsequent developments and provisions introduced during 2025 are as follows.

Bingo

The concessionaire Big Easy Bingo S.r.l. has filed an appeal with the Regional Administrative Court against the ADM note No. 43702 of 10 January 2025 to contest the new additional amounts requested by ADM. For this reason, pending the aforementioned proceedings, the six-monthly payment of Euro 2,800/month for each concession is being made.

11.2.7. ESG rating

On 10 January 2025, Lottomatica Group S.p.A. received an ESG Rating of 13.7 out of 100 from Morningstar Sustainalytics, which corresponds to a low risk of experiencing significant financial impacts related to ESG factors. This rating places Lottomatica Group S.p.A. among the companies with the lowest risk overall, ranking among the top worldwide in the 'Casinos and Gaming' sector, with over 70 companies evaluated, and among the top in the 'Consumer Services' sector, with over 470 companies evaluated.

In February 2025, the Group renewed its certification and received the “Top Employer” Italy 2025 award, obtaining this recognition for the second consecutive year. Furthermore, the Group joined the CDP (Carbon Disclosure Project), an international non-profit organization that serves as a reference for evaluating the environmental strategies of listed companies, providing detailed disclosure on its sustainability initiatives and receiving a B rating. In March, the Group obtained the renewal of its ISO 27701 certification for its privacy and data security management system.

Regarding its ESG objectives for 2025, the Group identified 123 initiatives, of which (i) 7% have been completed, (ii) 45% have been initiated, and (iii) 48% have not yet been started.

11.2.8. Rating bond

On 21 March 2025, Standard & Poor's upgraded the Company's corporate rating from BB- to BB.

11.2.9. Acquisition of Cristaltec S.p.A

On 13 January 2025, Lottomatica Videolot Rete S.p.A. finalized the acquisition of 60% of the share capital of Cristaltec S.p.A., a company involved in the development and distribution of online games, AWP and VLT games. The agreed consideration amounted to Euro 5.2 million.

On 31 March 2025, Lottomatica Videlot Rete S.p.A. converted part of its shares into non-voting shares, reducing its voting rights to 37.40% from the original 60%.

11.2.10. Merger by incorporation of SKS365 Malta Holding Limited into GBO S.p.A.

On 4 February 2025, the deed of merger by incorporation of SKS365 Malta Holding Limited (the "**Merged Company**") into GBO S.p.A. (the "**Merging Company**") was signed. For legal purposes, the merger will take effect from the first day of the month following the date of registration of the deed of merger in the Register of Companies of the place where the Merging Company has its registered office pursuant to art. 35 of Legislative Decree 19/2023. Pursuant to article 2504-bis of the Italian Civil Code and applicable Italian tax legislation and article 6(1)(f) of Maltese Law 28/2023, the activities of the Merged Company were considered as carried out on behalf of the Merging Company as of 1 January 2025 for accounting and tax purposes in Italy.

11.2.11. Cross-border transformation of PWO Limited into PWO S.p.A.

On 4 February 2025, the preliminary steps for the transformation of PWO Limited (formerly SKS Malta Limited) into a joint stock company under Italian law were completed. The transformation came into effect from 1 March 2025.

11.3. Significant events occurring after the reporting period

11.3.1. Acquisition of Distante S.r.l.

On 1 April 2025, the acquisition by Lottomatica Videolot Rete S.p.A. of 65% of the share capital of Distante S.r.l. became effective. Distante S.r.l. is a company engaged in the rental, management, and maintenance of AWP gaming machines. The acquisition price amounted to Euro 14.5 million.

11.3.2. Refinancing of senior secured notes and amendment to revolving credit facility

On 24 April 2025, the Company completed the pricing of a new senior secure notes issuance maturing in 2031, amounting to Euro 1,100 million, with a fixed interest rate of 4.875% (the "**Offering**"). The proceeds from the Offering will be used to (i) fully repay the Euro 565 million fixed-rate senior secured notes maturing in 2028, and the Euro 500 million floating-rate senior secured notes maturing in 2030, including any accrued and unpaid interest and the associated redemption premium, and (ii) pay certain fees, costs, and expenses related to the transaction, as well as certain amendments to the Company's existing revolving credit facility. The Offering is expected to close on 13 May 2025, subject to the satisfaction of customary closing conditions.

In connection with the Offering, on 23 April 2025, the Company entered into an amendment and restatement agreement with all relevant lenders to modify the existing revolving credit facility, which includes (i) an extension of the maturity date to three months before the maturity date of any senior secured notes issued by the Company, (ii) a reduction in the interest rate, and (iii) an upsizes of the commitments available thereunder. These amendments are subject to the completion of the Offering.

11.3.3. Rating bond

On 23 April 2025, Moody's upgraded the Company's corporate rating from Ba3 to Ba2.

Rome, 6 May 2025

Chief Executive Officer

Guglielmo Angelozzi

Certification pursuant to Article 154-bis Paragraph 2, of Legislative Decree 58/98

The undersigned Laurence Van Lancker, executive officer responsible for the preparation of Lottomatica Group's Financial Statements, hereby certify that, pursuant to Article 154-bis Paragraph 2 of the Italian Legislative Decree 58 of 24 February 1998, the Condensed Consolidated Interim Financial Statements as of 31 March 2025 corresponds with that contained in the accounting documentation, books and ledger entries.

Rome, 6 May 2025

Executive Officer responsible for
the preparation of corporate accounting information

Laurence Van Lancker

Annex A

The following table provides details of the companies included in the scope of consolidation for the relevant periods.

	Registered office	Share capital	% direct ownership	Owned by	% ownership at Group level	Consolidation method	As of 31 March 2025	As of 31 December 2024
PARENT COMPANY:								
Lottomatica Group S.p.A.	Rome	€10,000,000	-	-	-	-	X	X
SUBSIDIARIES:								
Gamenet S.p.A.	Rome	€8,500,000	100.0%	GGM S.p.A.	96.5%	Line-by-line	X	X
Billions Italia S.r.l.	Rome	€200,000	100.0%	Gamenet S.p.A.	96.5%	Line-by-line	X	X
Gnetwork S.r.l.	Rome	€66,667	75.0%	Gamenet S.p.A.	72.4%	Line-by-line	X	X
GBO Italy S.p.A.	Rome	€860,000	100.0%	GBO S.p.A.	100.0%	Line-by-line	X	X
Jolly Group S.r.l.	Rome	€19,683	64.7%	Gamenet S.p.A.	62.4%	Line-by-line	X	X
Agesoft S.r.l.	Rome	€100,000	60.0%	Gamenet S.p.A.	57.9%	Line-by-line	X	X
Lottomatica Videolot Rete S.p.A.	Rome	€3,413,984	100.0%	GGM S.p.A.	96.5%	Line-by-line	X	X
Big Easy S.r.l.	Rome	€2,474,219	100.0%	Lottomatica Videolot Rete S.p.A.	96.5%	Line-by-line	X	X
GGM S.p.A.	Rome	€27,238,695	96.5%	Lottomatica Group S.p.A.	96.5%	Line-by-line	X	X
GBO S.p.A.	Rome	€300,000	100.0%	Lottomatica Group S.p.A.	100.0%	Line-by-line	X	X
Gamenet PRO S.r.l.	Rome	€10,000	100.0%	GBO S.p.A.	100.0%	Line-by-line	X	X
GNet Inc. (1)	Delaware (USA)	USD 264,854	100.0%	GBO S.p.A.	100.0%	Line-by-line	-	X
Lottomatica UK Ltd. (2)	London (UK)	£ 1,000	100.0%	Lottomatica Group S.p.A.	100.0%	Line-by-line	-	X
Giocaonline S.r.l.	Milan	€10,000	60.0%	GBO Italy S.p.A.	60.0%	Line-by-line	X	X
Ares S.r.l.	Rome	€10,000	80.0%	Gamenet S.p.A.	77.2%	Line-by-line	X	X
Marim S.r.l.	Rome	€583,640	85.7%	GGM S.p.A.	82.7%	Line-by-line	X	X
Tecno-Mar S.r.l	Moncalieri (TO)	€1,000	70.0%	Marim S.r.l.	57.9%	Line-by-line	X	X
Lottomatica Digital Solutions S.r.l.	Rome	€10,000	100.0%	GBO Italy S.p.A.	100.0%	Line-by-line	X	X
Big Easy Bingo S.r.l. (formerly Battistini Andrea S.r.l.)	Rome	€10,400	100.0%	Big Easy S.r.l.	96.5%	Line-by-line	X	X
Betflag S.p.A	Rome	€1,500,000	100.0%	GBO S.p.A.	100.0%	Line-by-line	X	X
Ricreativo B S.p.A.	Rome	€10,000,000	100.0%	GGM S.p.A.	96.5%	Line-by-line	X	X
SKS365 Malta Holding Limited (4)	St. Julian's (MT)	€10,000	100.0%	GBO S.p.A.	100.0%	Line-by-line	-	X
PWO S.p.A. (formerly PWO Limited) (5)	Rome	€10,000,000	100.0%	GBO S.p.A.	100.0%	Line-by-line	X	X
SKS Services doo (6)	Belgrade (SRB)	RSD 1,185,000	100.0%	GBO S.p.A.	100.0%	Line-by-line	-	X
SKS365 SRB doo (6)	Belgrade (SRB)	RSD 0	100.0%	PWO S.p.A.	100.0%	Line-by-line	-	X
Planet Entertainment S.r.l.	Rome	€10,000	100.0%	PWO S.p.A.	100.0%	Line-by-line	X	X
Totosì Servizi S.r.l.	Rome	€100,000	100.0%	GBO S.p.A.	100.0%	Line-by-line	X	X
Totosì S.r.l.	Rome	€10,000	100.0%	GBO S.p.A.	100.0%	Line-by-line	X	X
Dea Bendata S.r.l.	Rome	€10,000	100.0%	Big Easy S.r.l.	96.5%	Line-by-line	X	X
Rete Gioco Italia S.r.l.	Rome	€3,759,060	60.0%	Lottomatica Videolot Rete S.p.A.	57.9%	Line-by-line	X	X
Bakoo S.p.A.	Rome	€120,000	100.0%	Marim S.r.l.	82.7%	Line-by-line	X	X
Sea S.r.l.	Rome	€50,000	100.0%	Big Easy S.r.l.	96.5%	Line-by-line	X	X
IMA S.r.l.	Rome	€101,000	100.0%	Marim S.r.l.	82.7%	Line-by-line	X	X
ASSOCIATES:								
Cristaltec S.p.A. (3)	Rome	€1,687,500	60.0%	Lottomatica Videolot Rete S.p.A.	57.9%	Equity	X	-
Luduscristaltec L.d.A. (3)	Porto (PT)	€20,000	51.0%	Cristaltec S.p.A.	29.5%	Equity	X	-

1) The company entered into liquidation in November 2024.
2) The company entered into liquidation on 26 November 2024. It became effective on 11 February 2025.
3) On 13 January 2025, Lottomatica Videolot Rete S.p.A. finalized the agreements for the acquisition of 60% of the share capital of Cristaltec S.p.A., a company involved in the development and distribution of online games, AWP and VLT games, which controls 51% of the company Luduscristaltec L.d.A..
4) On 4 February 2025, the company was merged into GBO S.p.A..
5) On 4 February 2025, the preparatory steps for the transformation of the company PWO Limited (formerly SKS Malta Limited) into a joint stock company under Italian law were completed, effective from 1 March 2025.
6) Liquidated company.