



Interim report as of and for the six months ended 30 June 2024

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	3
Corporate information	4
Interim management report.....	5
Condensed consolidated interim financial statements as of and for the six months ended 30 June 2024.....	31
Consolidated statement of comprehensive income	32
Consolidated statement of financial position	34
Consolidated statement of cash flows	35
Consolidated statement of changes in equity.....	36
Explanatory notes to the condensed consolidated interim financial statements as of and for the six months ended 30 June 2024	37

Corporate bodies and external auditor

Board of Directors

Andrea Moneta	Chairman
Guglielmo Angelozzi	Chief Executive Officer
John Paul Maurice Bowtell	Director**
Michele Rabà	Director***
Michael Ian Saffer	Director
Yulia Shakhova	Director
Catherine Renee Anne Guillaouard	Director
Augusta Iannini	Independent Director* **
Gaia Mazzalverì	Independent Director* **
Marzia Mastrogiacomo	Independent Director* ***
Nadine Farida Faruque	Independent Director* ***

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.

** Control and Risks Committee member.

*** Appointments and Remuneration 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.

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.

On 24 April 2024, GBO S.p.A. completed the acquisition of 100% of the share capital of SKS365 Malta Holdings Limited (hereinafter “**SKS365**”) for a consideration of Euro 621.5 million (the “**SKS365 Acquisition**”), following the customary regulatory approvals. The transaction was financed by the proceeds from the issuance of the senior secured floating rate notes maturing in 2030 (issued below par at 99.5%) issued on 14 December 2023, bearing interest equal to the sum of the three-month EURIBOR rate (with a 0% floor) plus 4.00% per annum to be paid quarterly starting 1 March 2024 (hereinafter the “**December 2023 Notes**”) and available cash. It should be noted that the proceeds of December 2023 Notes were transferred to an escrow account until the completion of the SKS365 Acquisition.

On 29 May 2024, Lottomatica S.p.A. issued senior secured notes for a total principal amount of Euro 900 million. The net proceeds from the issuance were used, together with available cash, to finance the final early repayment of the fixed-rate senior secured notes maturing in 2027 and the floating-rate senior secured notes maturing in 2028, issued by Lottomatica S.p.A. on 27 September 2022 and 1 June 2023, respectively, plus accrued and unpaid interest, and the make-whole payment due to early repayment (hereinafter the “**Refinancing 2024**”).

For further details, please refer to Note 4 “Key events occurring during the period” of this document and Note 11.2 to the Company’s condensed consolidated interim financial statements as of and for the six months ended 30 June 2024 (the “**Condensed Consolidated Interim Financial Statements**”).

The information in this interim management report refers to the six months ended 30 June 2024 and 2023. It should be noted that the financial information and all business data (e.g., bet, unique active users, number of active points of sale, betting rights) reported in the document include SKS365 in the scope of consolidation for two months from 30 April 2024 to 30 June 2024. The first consolidation of SKS365 was as of 30 April (rather than 24 April, the date of acquisition) to reduce the complexity of determining the data, given that the income statement and balance sheet impact is not material in terms of the Condensed Consolidated Interim Financial Statements.

Interim management report

1. Overview

The Group is the largest player in the Italian gaming market¹, with Euro 18.0 billion in bets collected (of which Euro 1.0 billion related to SKS365) and Euro 931.8 million in revenues (of which Euro 52.8 million related to SKS365) recorded during the six months ended 30 June 2024, through a network of 4,016 betting rights (of which 1,003 related to SKS365), 26 horse-race betting rights, 19,831 VLT rights, 67,628 NOE AWP operating permits and 39,773 owned AWP² and a network of around 17,106 points of sale of which 136 managed directly as of 30 June 2024.

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

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, Macaowin.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 10,716.4 million (of which Euro 829.6 million related to SKS365) for the six months ended 30 June 2024, an increase compared to Euro 7,583.0 million for the six months ended 30 June 2023.

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 3,793 operating PoS** (of which 932 related to SKS365) as of 30 June 2024, through **GoldBet, Intralot, Better and Planetwin365** brands. The Sports Franchise segment generated bets of Euro 1,687.4 million for the six months ended 30 June 2024 (of which Euro 133.3 million related to SKS365) compared to Euro 1,449.3 million for the six months ended 30 June 2023.

¹ Based on revenues.

² The figure as of 30 June 2024 does not consider AWP machines that the Group holds in inventory.

1.3. Gaming Franchise

The Group's Gaming Franchise business comprises **direct management of gaming halls and concession activities for VLTs and AWP**s, 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 30 June 2024, the Group's Gaming Franchise business included 18,198 operative VLTs and 63,277 operative AWP. For the six months ended 30 June 2024, there were 136 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 5,564.4 million for the six months ended 30 June 2024, compared to Euro 5,540.7 million for the six months ended 30 June 2023. 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 permitted³. 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 500,000.00⁴. The Group currently offers four VLT platforms (Spielo, Novomatic, Inspired and WMG).

Management of owned gaming halls and AWP (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 AWP ("Street Operations"). As of 30 June 2024, the Group directly manages 136 halls and 39,773 owned AWP⁵.

³ 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 2023.

⁴ 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 2023.

⁵ The figure as of 30 June 2024, does not consider AWP machines that the Group holds in inventory.

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 presented in order to allow a better assessment of the Group’s operating performance and should not be considered alternatives to those provided by IFRS. Specifically, the Non-GAAP Measures used are as follows:

- **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) costs related to M&A, international activities and IPO; (vii) integration costs (comprising expenses on corporate restructuring and redundancy); and (viii) 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:

	As of and for the six months ended 30 June		As of and for the year ended 31 December
<i>(in thousands of Euro)</i>	2024	2023*	2023
Revenues	931,807	820,073	1,632,488
Adjusted EBITDA	317,298	298,785	580,351
Adjusted EBIT	238,146	249,617	456,914
Adjusted Net Profit	105,326	121,101	215,884
Net profit for the period	26,548	39,951	74,222
Total shareholders' equity	505,500	527,206	541,590
Net financial indebtedness – ESMA	1,961,484	1,279,425	1,360,933
Net Financial Debt	1,913,057	1,159,460	1,248,726
Cash Capital Expenditures	(164,397)	(56,477)	(144,767)
Operating cash flow	228,019	256,868	469,626
Cash conversion rate	71.9%	86.0%	80.9%

* Figures for the six months ended 30 June 2023 have been restated following the completion of the purchase price allocation relating to Betflag S.p.A..

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

The global economy continued to improve in the spring, still driven by services, but with manufacturing also showing signs of strengthening. In the spring euro-area Gross Domestic Product (“GDP”) posted modest growth, driven by the service sector. Disinflation eased, mainly due to continuing strong price increases in services. However, the underlying inflation indicators continued to fall. Italian GDP continued to expand somewhat in the spring by services, particularly tourism-related services, which are benefiting from the strong performance of foreign travellers' spending. By contrast, activity declined in construction and in manufacturing.

In June, the Governing Council of the European Central Bank lowered its key interest rates by 25 basis points. It also confirmed that the primary goal is to ensure a timely return of inflation to its medium-term target by keeping interest rates at a sufficiently tight level for as long as necessary⁶.

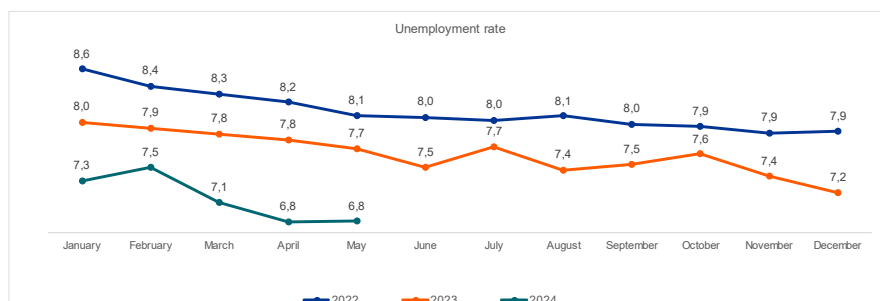
The following table presents key information regarding the performance of the Italian economy updated to the latest available quarter:

Gross domestic product ⁷	I Q 2021	II Q 2021	III Q 2021	IV Q 2021	I Q 2022	II Q 2022	III Q 2022	IV Q 2022	I Q 2023	II Q 2023	III Q 2023	IV Q 2023	I Q 2024
	+0.2%	+2.6%	+2.7%	+0.7%	+0.1 %	+1.0%	+0.5%	-0.1%	+0.5%	+0.6%	-0.4%	+0.2%	+0.3%

The annual inflation rate in Italy as of 30 June 2024, increased, reaching +0.8%⁸ on an annual basis, confirming a deceleration compared to the last months of 2023 and a stabilization compared to the first months of 2024, due, on the one hand, to the attenuation of the annual decline in the prices of goods (especially energy) and, on the other hand, to the slowdown in the growth rate of prices of services (especially recreational, cultural and personal care).

	As of 30 June	
	2023	2024
Inflation rate	+6.4%	+0.8%

As shown in the graph⁹ below, the unemployment rate as of 31 May 2024 (latest data available) was lower than that of the same date in 2023, as compared with May 2023 both the number of job seekers and the number of inactive people fell. In the period March-May 2024, with respect to the previous quarter (December 2023-February 2024), employment increased (+0.6).



⁶ Source: Bank of Italy - Economic Bulletin No. 3 – 2024.

⁷ Source: Istat – Monthly report on Italian economy – June 2024.

⁸ Source: Istat – Press Release – Consumer Price – June 2024.

⁹ Source: Istat – Employment and Unemployment – May 2024.

4. Key events occurring during the period

4.1. Refinancing 2024

On 29 May 2024, Lottomatica S.p.A. issued senior secured notes for a total principal of Euro 900 million (the **"May 2024 Notes"**), 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 maturing in June 2030, and (ii) Euro 400 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 and maturing in June 2031.

Proceeds from the May 2024 Notes were used, together with available cash, to finance (i) the final early repayment of the senior secured notes of Euro 350 million at a fixed annual rate of 9.750% maturing in 2027, issued on 27 September 2022, (the **"September 2022 Notes"**) and the floating rate senior secured notes of Euro 550 million bearing interest equal to the sum of three-month EURIBOR (with a 0% floor) plus 4.125% per annum maturing in 2028 issued on 1 June 2023 (the **"2023 June Floating Rate Notes"**) and together with the September 2022 Notes, the **"2024 Notes Repaid"**), in addition to accrued and unpaid interest; and (ii) the make-whole payment due to early repayment amounting to Euro 26.4 million.

With reference to the Refinancing 2024, the monetary costs amounted to Euro 37.5 million, mainly relating to:

- professional fees related to the May 2024 Notes amounting to Euro 11.1 million;
- make-whole of the 2024 Notes Repaid amounting to Euro 26.4 million.

It should be noted that the Refinancing 2024 also resulted in non-monetary costs mainly due to the acceleration of the amortized cost on the ancillary charges related to the 2024 Notes Repaid amounting to Euro 21.7 million, which were fully recognized during 2024 following the related early repayment.

4.2. Acquisition of SKS365

As previously indicated, on 24 April 2024, GBO S.p.A. completed the acquisition of 100% of the share capital of SKS365, an omnichannel operator in the Italian online and sports betting market. The consideration paid for the acquisition was Euro 621.5 million, including leakages and ticking fees, contractually determined.

The transaction was financed through a combination of available cash and the proceeds from the issuance of the December 2023 Notes.

With reference to the SKS365 Acquisition, the net monetary costs incurred in connection with the related acquisition and its financing, was equal to Euro 6.8 million, mainly relating to:

- professional fees related to the acquisition amounting to Euro 1.7 million;
- negative carry amounting to Euro 4.2 million resulting from the negative difference between the interest income accrued on the escrow account and the interest expense accrued on the December 2023 Notes for the period from 1 January 2024 to the acquisition date of SKS365 (including the related interest rate swap net income);

- the arrangement fees related to the additional revolving credit facility of Euro 0.9 million.

The following table is a summary of the non-recurring costs recorded in 2024 as a result of the above transactions and the relevant accounting treatment applied:

<i>(in millions of Euro)</i>	Amount*	Of which incurred as of 30 June 2024	Finance expenses	Costs not included in Adjusted EBITDA	Financial liabilities at amortized cost	Monetary portion	Non-monetary portion
Refinancing 2024							
Underwriting fees and consultants / advisors	(11.1)	(11.1)			✓	(11.1)	-
Make-whole on 2024 Notes Repaid	(26.4)	(26.4)	✓			(26.4)	-
Effect of acceleration of the unamortized costs and net charge IRS on 2024 Notes Repaid	(21.7)	(21.7)	✓			-	(21.7)
Total (A)	(59.2)		(48.1)		(11.1)	(37.5)	(21.7)
SKS365 Acquisition							
Transaction costs related to SKS365	(1.7)	(1.7)		✓		(1.7)	-
Negative carry	(4.2)	(4.2)	✓			(4.2)	-
Additional revolving credit facility (over five years)	(0.9)	-	✓			(0.9)	-
Total (B)	(6.8)		(5.1)	(1.7)	-	(6.8)	-
Total (A+B)	(66.0)		(53.2)	(1.7)	(11.1)	(44.3)	(21.7)

* Gross of related tax effect.

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 2023 ("**Annual Consolidated Financial Statements**") and in Note 11.2.6 to the Condensed Consolidated Interim Financial Statements.

6. Review of Group results

As previously indicated and for the purpose of this document, please note that SKS365 has been included in the scope of consolidation for a period of two months, therefore from 1 May 2024 to 30 June 2024. It is also recalled that, the acquisition of Ricreativo B S.p.A. ("**Ricreativo**") was finalized during September 2023 and consolidated from 1 September 2023.

The following table shows the Group's consolidated income statements for the six months ended 30 June 2024 and 2023:

<i>(in thousands of Euro)</i>	For the six months ended 30 June				Change	
	2024	% of revenues	2023*	% of revenues	(Euro)	%
Revenues	931,807	100.0%	820,073	100.0%	111,734	13.6%
Other income	6,929	n.a.	5,942	n.a.	987	16.6%
Total revenues and income	938,736	n.a.	826,015	n.a.	112,721	13.6%
Cost of services	(556,869)	(59.8%)	(483,166)	(58.9%)	(73,703)	15.3%
Personnel expenses	(64,816)	(7.0%)	(48,964)	(6.0%)	(15,852)	32.4%
Other operating costs	(18,138)	(1.9%)	(20,003)	(2.4%)	1,865	(9.3%)
Depreciation, amortization and impairments	(107,627)	(11.6%)	(84,468)	(10.3%)	(23,159)	27.4%
Accruals and impairments	(1,172)	(0.1%)	(4,403)	(0.5%)	3,231	(73.4%)
Net finance expenses	(129,709)	(13.9%)	(110,743)	(13.5%)	(18,966)	17.1%
Share of loss of equity accounted investments	-	0.0%	(251)	(0.0%)	251	(100.0%)
Profit before taxes	60,405	6.5%	74,017	9.0%	(13,612)	(18.4%)
Income tax expense	(33,857)	(3.6%)	(34,066)	(4.2%)	209	(0.6%)
Net profit for the period	26,548	2.8%	39,951	4.9%	(13,403)	(33.5%)

* Figures for the six months ended 30 June 2023 have been restated following the completion of the purchase price allocation relating to Betflag S.p.A..

6.1. Revenues

The following table shows revenues by operating segment for the six months ended 30 June 2024 and 2023:

<i>(in thousands of Euro)</i>	For the six months ended 30 June				Change	
	2024	% of revenues	2023	% of revenues	(Euro)	%
Online	338,295	36.3%	246,943	30.1%	91,352	37.0%
Sports Franchise	213,682	22.9%	204,890	25.0%	8,792	4.3%
Gaming Franchise	379,830	40.8%	368,240	44.9%	11,590	3.1%
Total	931,807	100.0%	820,073	100.0%	111,734	13.6%

Online

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

	As of and for the six months ended 30 June	
	2024	2023
Unique active users*	1,304,116	906,307
Total online bets (in millions of Euro)	10,716.4	7,583.0

* 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. As of 30 June 2024, the unique active users related to SKS365 amounted to 200,369.

The Online segment generated bets of Euro 10,716.4 million for the six months ended 30 June 2024, an increase of 41.3% compared to the corresponding period of the previous year (Euro 7,583.0 million for the six months ended 30 June 2023). The Online operating segment benefitted from the SKS365 Acquisition, which has contributed to a significant increase in online gaming offering and has recorded Euro 829.6 million of bets from the consolidation date, as well as from the overall growth of the market and the increase in the market share in all of the Group's product lines and brands resulting in the strengthening of its leadership position.

The overall increase in bets for the six months ended 30 June 2024 compared to the six months ended 30 June 2023 was driven by an increase in:

- iGaming from Euro 5,890.5 million for the six months ended 30 June 2023 to Euro 8,286.9 million for the six months ended 30 June 2024;
- iSports from Euro 1,167.3 million for the six months ended 30 June 2023 to Euro 1,677.3 million for the six months ended 30 June 2024;
- Other online gaming from Euro 525.1 million for the six months ended 30 June 2023 to Euro 752.1 million for the six months ended 30 June 2024.

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

- the increase in the online games offer;
- the continued inclusion of new exclusive bets;
- continuous technological improvements as graphic and functional refactoring of the deposit and withdrawals section and inclusion of virtual games in the sports betting app;
- review of the CRM strategy through the implementation of customer retention/reactivation activities;
- the optimization of acquisitions from the retail channel through the introduction of focused marketing policies and the improvement of network;
- the development of policies to acquire new customers through online channels;
- 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 six months ended 30 June 2024 amounted to Euro 338.3 million, an increase of Euro 91.4 million compared to Euro 246.9 million for the six months ended 30 June 2023. The main drivers for the increase were the same as the drivers described above for the increase in bet. The SKS365 Acquisition contributed to revenue growth for Euro 33.9 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 six months ended 30 June	
	2024	2023
Number of licenses/concessions*	4,016	3,016
Number of active points of sale (shops and corner)	3,793	2,751
Average number of points of sale in operations (shops and corner)	3,160	2,741
Sports Franchise bets (in millions of Euro)	1,687.4	1,449.3

* Excluding the 26 licenses related to horse racing in 2024 and 25 in 2023.

The Sports Franchise operating segment benefitted from the SKS365 Acquisition, which contributed to a significant increase in the number of betting rights held (1,003 relating to SKS365) and active points of sales (932 of which related to SKS365 Acquisition at the end of the period).

Sports Franchise bets increased from Euro 1,449.3 million for the six months ended 30 June 2023 to Euro 1,687.4 million for the six months ended 30 June 2024 (of which Euro 133.3 million related to SKS365). In addition to the contribution from the SKS365 Acquisition, the increase in bets was mainly due to 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 213.7 million for the six months ended 30 June 2024 (of which Euro 18.8 million related to SKS365), an increase of Euro 8.8 million or 4.3% compared to Euro 204.9 million for the six months ended 30 June 2023. This increase was mainly due to the consolidation of SKS365, partially offset by the negative impact of high payout, particularly in January 2024.

Gaming Franchise

Bets in the Gaming Franchise segment for the six months ended 30 June 2024 amounted to Euro 5,564.4 million, an increase of Euro 23.7 million compared to Euro 5,540.7 million for the six months ended 30 June 2023. Gaming Franchise revenues amounted to Euro 379.8 million for the six months ended 30 June 2024, an increase of Euro 11.6 million compared to Euro 368.2 million for the six months ended 30 June 2023, mainly due to the contribution from the acquisition of Ricreativo in September 2023.

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

AWP

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

	As of and for the six months ended 30 June	
	2024	2023
Number of AWP in operation as of the period end	63,277	63,054
Average number of AWP in operation for the period	63,470	62,961
AWP bets (in millions of Euro)*	2,180.6	2,268.0
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 238.6 million, and Euro 94.8 million for the six months ended 30 June 2024 and 2023 respectively, which is included in the Retail and Street Operations business line .

AWP bets amounted to Euro 2,180.6 million for the six months ended 30 June 2024, decreasing compared to the corresponding period of the previous year (Euro 2,268.0 million for the six months ended 30 June 2023).

AWP revenues for the six months ended 30 June 2024 amounted to Euro 138.9 million, substantially in line with the six months ended 30 June 2023.

VLT

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

	As of and for the six months ended 30 June	
	2024	2023
Number of VLT licenses	19,831	19,831
Average number of VLTs in operation for the period	18,323	18,287
Number of VLTs in operation as of the period end	18,198	18,331
VLT in operation as percentage of VLT rights	91.8%	92.4%
VLT bets in millions of Euro*	3,071.1	3,120.5
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 74.1 million, and Euro 57.4 million for the six months ended 30 June 2024 and 2023 respectively, which is included in the Retail and Street Operations business line

VLT bets decreased by 1.6% from Euro 3,120.5 million for the six months ended 30 June 2023 to Euro 3,071.1 million for the six months ended 30 June 2024 while VLT revenues increased from Euro 218.4 million for the six months ended 30 June 2023 to Euro 218.9 million for the six months ended 30 June 2024, mainly due to the positive impact of a lower payout.

Retail and Street Operations

Bets in the Retail and Street Operations product line (from other concessionaires) amounted to Euro 312.7 million for the six months ended 30 June 2024 (Euro 152.2 million for the six months ended 30 June 2023) while the related revenues (from other concessionaires) amounted to Euro 22.0 million for the six months ended 30 June 2024, an increase of Euro 10.9 million compared to Euro 11.1 million for the six months ended 30 June 2023, mainly due to the contribution from the acquisition of Ricreativo which took place in September 2023.

After reclassifying bets generated in owned gaming halls connected to the Gamenet and Lottomatica Videolot Rete concessionaires, total Retail and Street Operations bets for the six months ended 30 June 2024 amounted to Euro 1,766.1 million (Euro 1,523.0 million for the six months ended 30 June 2023). For details regarding movements during the period, see the comments above in relation to AWP's and VLT's.

6.2. Other income

Other income for the six months ended 30 June 2024 amounted to Euro 6.9 million (of which Euro 0.1 million related to SKS365), an increase of Euro 1.0 million compared to Euro 5.9 million for the six months ended 30 June 2023. The increase was mainly due to the contribution from the acquisition of Ricreativo in September 2023, as well as higher income from the services to the sales point operators.

6.3. Cost of services

The following table provides a breakdown of cost of services for the six months ended 30 June 2024 and 2023:

<i>(in thousands of Euro)</i>	For the six months ended 30 June				Change	
	2024	% of revenues	2023	% of revenues	(Euro)	%
Distribution network compensation	(382,178)	(41.0%)	(343,968)	(41.9%)	(38,210)	11.1%
Fee on licensing gaming platforms	(52,778)	(5.7%)	(42,436)	(5.2%)	(10,342)	24.4%
Concession fee	(27,351)	(2.9%)	(25,652)	(3.1%)	(1,699)	6.6%
Rentals, leases and other rentals	(5,545)	(0.6%)	(4,403)	(0.5%)	(1,142)	25.9%
Other	(89,017)	(9.6%)	(66,707)	(8.1%)	(22,310)	33.4%
Total	(556,869)	(59.8%)	(483,166)	(58.9%)	(73,703)	15.3%

Cost of services for the six months ended 30 June 2024 amounted to Euro 556.9 million (of which Euro 37.1 million related to SKS365), an increase of Euro 73.7 million compared to Euro 483.2 million for the six months ended 30 June 2023.

Cost of services mainly related to the distribution network compensation, which amounted to Euro 382.2 million for the six months ended 30 June 2024 (of which Euro 25.7 million related to SKS365), an increase of Euro 38.2 million compared to Euro 344.0 million for the six months ended 30 June 2023. 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.

The fee on gaming platform licenses was Euro 52.8 million for the six months ended 30 June 2024 (of which Euro 3.3 million related to SKS365), an increase of Euro 10.4 million compared to Euro 42.4 million for the six months ended 30 June 2023. The item represents fees due to the VLT platform providers to use their systems.

The concession fee payable to the ADM was Euro 27.4 million for the six months ended 30 June 2024 (of which Euro 1.2 million related to SKS365), an increase of Euro 1.7 million compared to Euro 25.7 million for the six months ended 30 June 2023. The increase was substantially related to the increase in bets since the relevant concession fee is equal to 0.3% of VLT and AWP bets.

“Other” amounted to Euro 89.0 million for the six months ended 30 June 2024, an increase of Euro 22.3 million compared to Euro 66.7 million for the six months ended 30 June 2023. Such change was mainly linked to the SKS365 Acquisition, 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 six months ended 30 June 2024 and 2023:

<i>(in thousands of Euro)</i>	For the six months ended 30 June				Change	
	2024	% of revenues	2023	% of revenues	(Euro)	%
Remuneration	(48,122)	(5.2%)	(35,114)	(4.3%)	(13,008)	37.0%
Social security contributions	(12,967)	(1.4%)	(11,188)	(1.4%)	(1,779)	15.9%
Other personnel costs	(3,727)	(0.4%)	(2,662)	(0.3%)	(1,065)	40.0%
Total	(64,816)	(7.0%)	(48,964)	(6.0%)	(15,852)	32.4%

Personnel expenses for the six months ended 30 June 2024 amounted to Euro 64.8 million (of which Euro 6.6 million related to SKS365), an increase of Euro 15.8 million compared to Euro 49.0 million for the six months ended 30 June 2023. The increase was mainly attributable to the increase in the average number of employees, in particular relating to the acquisitions of Ricreativo and SKS365.

6.5. Other operating costs

Other operating costs for the six months ended 30 June 2024 amounted to Euro 18.1 million (of which Euro 0.5 million related to SKS365), a decrease of Euro 1.9 million or 9.3% compared to Euro 20.0 million for the six months ended 30 June 2023. The change was mainly due to software licenses write-off during 2023, partially offset by the non-recurring costs for the SKS365 Acquisition amounting to Euro 1.7 million and higher taxes and duties.

6.6. Depreciation, amortization and impairments

The following table provides a breakdown of depreciation, amortization and impairments for the six months ended 30 June 2024 and 2023:

<i>(in thousands of Euro)</i>	For the six months ended 30 June				Change	
	2024	% of revenues	2023*	% of revenues	(Euro)	%
Amortization of intangible assets	(76,151)	(8.2%)	(57,778)	(7.0%)	(18,373)	31.8%
<i>of which PPA</i>	(28,475)	(3.1%)	(35,300)	(4.3%)	6,825	(19.3%)
Depreciation of property, plant and equipment	(21,230)	(2.3%)	(18,914)	(2.3%)	(2,316)	12.2%
Depreciation of investment property	(14)	(0.0%)	(13)	(0.0%)	(1)	7.7%
Impairments of property, plant and equipment and intangible assets	(311)	(0.0%)	-	0.0%	(311)	n.a.
Depreciation of right of use	(9,921)	(1.1%)	(7,763)	(0.9%)	(2,158)	27.8%
Total	(107,627)	(11.6%)	(84,468)	(10.3%)	(23,159)	27.4%

* Figures for the six months ended 30 June 2023 have been restated following the completion of the purchase price allocation relating to Betflag S.p.A..

Depreciation, amortization and impairments for the six months ended 30 June 2024 amounted to Euro 107.6 million (of which Euro 3.1 million related to SKS365), compared to Euro 84.5 million for the corresponding period in the previous year. The increase was mainly due to amortization of Gaming Franchise segment concessions, which were extended during the second quarter of 2023.

Amortization of intangible assets for the six months ended 30 June 2024 includes Euro 28.5 million related to amortization of intangible assets recognized during the purchase price allocation (Euro 35.3 million for the six months ended 30 June 2023). It should be noted that as of the date of preparation of this document, the purchase price allocation processes related to the acquisition of Ricreativo and SKS365 Acquisition are still in progress and, therefore, in accordance with IFRS 3, the Group will complete these assessments within twelve months from the acquisition date.

6.7. Net finance expenses

The following table provides a breakdown of net finance expenses for the six months ended 30 June 2024 and 2023:

(in thousands of Euro)	For the six months ended 30 June				Change	
	2024	% of revenues	2023	% of revenues	(Euro)	%
Non-recurring finance income	6,215	0.7%	22,204	2.7%	(15,989)	(72.0%)
Other interest income	1,763	0.2%	1,094	0.1%	669	61.2%
Total finance income	7,978	0.2%	23,298	2.8%	(15,320)	61.2%
Non-recurring finance expenses	(58,575)	(6.3%)	(62,394)	(7.6%)	3,819	(6.1%)
Interest expense on Notes (including IRS)	(63,501)	(6.8%)	(52,183)	(6.4%)	(11,318)	21.7%
Amortized cost on Notes	(3,902)	(0.4%)	(2,801)	(0.3%)	(1,101)	39.3%
Commission on sureties	(3,962)	(0.4%)	(2,650)	(0.3%)	(1,312)	49.5%
Interest expense on Revolving Loan	(2,645)	(0.3%)	(3,100)	(0.4%)	455	(14.7%)
Interest expense on Bondco loan	-	0.0%	(6,947)	(0.8%)	6,947	(100.0%)
Leasing interest expense	(2,086)	(0.2%)	(1,574)	(0.2%)	(512)	32.5%
Amortized cost on deferred purchase consideration for acquisition	(962)	(0.1%)	(1,897)	(0.2%)	935	(49.3%)
Other interest expense	(2,054)	(0.2%)	(495)	(0.1%)	(1,559)	>100.0%
Total finance expenses	(137,687)	(14.8%)	(134,041)	(16.3%)	(3,646)	2.7%
Net finance expenses	(129,709)	(13.9%)	(110,743)	(13.5%)	(18,966)	17.1%

Net finance expenses amounted to Euro 129.7 million (of which Euro 1.2 million related to SKS365) for the six months ended 30 June 2024, an increase of Euro 19.0 million compared to Euro 110.7 million for the same period of the previous year. The increase was mainly attributable to:

- lower non-recurring finance income, from Euro 22.2 million in the first half of 2023 to Euro 6.2 million in the first half of 2024, mainly due to the closing of the hedging derivative following the early repayment in 2023 of the floating-rate senior secured notes maturing in 2025, partially offset by higher interest income accrued on the escrow account during the period;
- higher expenses on the Notes, amounting to Euro 12.4 million;
- higher commissions on sureties amounting to Euro 1.3 million, of which Euro 0.9 million related to the SKS365 Acquisition.

partially offset by:

- lower non-recurring finance expenses, from Euro 62.4 million in the first half of 2023 to Euro 58.6 million in the first half of 2024 (for further details on 2024 non-recurring finance expenses see Note 8.8 in the Notes to the Condensed Consolidated Interim Financial Statements); and
- lower interest expense on the loan granted by Gamma Bondco S.à.r.l. which was repaid during 2023.

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.

6.8. Income tax expense

Income tax for the six months ended 30 June 2024 amounted to Euro 33.9 million, a decrease of Euro 0.2 million compared to Euro 34.1 million for the six months ended 30 June 2023. 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:

	For the six months ended 30 June	
(in thousands of Euro)	2024	2023*
Net profit for the period	26,548	39,951
Income tax expense	33,857	34,066
Finance income	(7,978)	(23,298)
Finance expenses	137,687	134,041
Share of loss of equity accounted investments	-	251
Depreciation, amortization and impairments	107,627	84,468
Costs related to M&A and international activities** (a)	4,666	6,819
Integration costs*** (b)	6,026	9,992
Other non-recurring (income)/expense**** (c)	8,865	12,495
Total non-recurring not included in Adjusted EBITDA	19,557	29,306
Of which:		
Monetary costs not included in Adjusted EBITDA	17,904	17,834
Non-monetary costs not included in the Adjusted EBITDA	1,653	11,472
Adjusted EBITDA	317,298	298,785

* Figures for the six months ended 30 June 2023 have been restated following the completion of the purchase price allocation relating to Betflag S.p.A..

** The item mainly refers to strategic consultancy costs amounting to Euro 4.7 million for the six months ended 30 June 2024, mainly related to the SKS365 Acquisition and other potential acquisitions (Euro 3.2 million for the six months ended 30 June 2023). For the six months ended 30 June 2023, the item also includes monetary costs in connection with the IPO amounting to Euro 2.1 million.

*** Primarily represents costs incurred for the integration of acquired companies and expenses on corporate restructuring and redundancy.

**** For the six months ended 30 June 2024, the item refers to: (i) monetary costs of Euro 7.2 million of which Euro 3.1 million related to non-recurring employee benefits and (ii) non-monetary costs of Euro 1.6 million. For the six months ended 30 June 2023, the item mainly refers to: (i) monetary costs of Euro 1.0 million related to non-recurring employee benefits and (ii) Euro 11.5 million of non-monetary costs mainly related to the impairment of the "Ancona Time" partnership held by Lottomatica Videolot Rete S.p.A. amounting to Euro 3.3 million and the write-off of software license amounting to Euro 6.4 million.

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

	For the six months ended 30 June	
(in thousands of Euro)	2024	2023*
Net profit for the period	26,548	39,951
Income tax expense	33,857	34,066
Finance income	(7,978)	(23,298)
Finance expenses	137,687	134,041
Share of loss of equity accounted investments	-	251
Amortization of assets resulting from business combinations	28,475	35,300
Other non-recurring costs and income excluded from Adjusted EBITDA	19,557	29,306
Adjusted EBIT	238,146	249,617

* Figures for the six months ended 30 June 2023 have been restated following the completion of the purchase price allocation relating to Betflag S.p.A..

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

	For the six months ended 30 June	
(in thousands of Euro)	2024	2023 * **
Net profit for the period	26,548	39,951
Amortization of assets resulting from business combinations	28,475	35,300
Other non-recurring costs and income excluded from Adjusted EBITDA	19,557	29,306
Adjustments related to IPO, refinancing and SKS365 Acquisition	52,360	40,189
of which:		
- Income from Interest rate swap	-	(19,845)
- Prepayment penalty on Bondco Loan	-	16,473
- Bridge Facility	-	13,750
- Make-whole on notes repaid	26,443	12,680
- Effect of acceleration of the unamortized costs and net charge IRS on notes repaid and previous RCF	21,663	15,264
- Negative carry (net of accrued interest received from escrow account)	4,254	1,867
Other non-monetary items including in finance expenses	6,499	5,062
Tax effect (IRES + IRAP)***	(28,113)	(28,707)
Adjusted net profit	105,326	121,101
Adjusted net profit per share****	0.42	0.48

* Figures for the six months ended 30 June 2023 have been restated following the completion of the purchase price allocation relating to Betflag S.p.A..

** Please refer to the condensed consolidated interim financial statements as of and for the six months ended 30 June 2023.

*** Tax effect calculation is based on the applicable tax regulations as of the periods illustrated.

**** Calculated based on outstanding shares as of 30 June 2024.

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		Unallocated/ Eliminations		Total	
<i>(in thousands of Euro, except %)</i>	HY'24	HY'23	HY'24	HY'23	HY'24	HY'23	HY'24	HY'23	HY'24	HY'23*
Bets (including other concessionaires)	10,716,351	7,582,952	1,687,431	1,449,342	5,564,427	5,540,748	-	-	17,968,209	14,573,042
Bets (Lottomatica Group)	10,716,351	7,582,952	1,687,431	1,449,342	5,251,761	5,388,552	-	-	17,655,543	14,420,845
GGR	573,623	418,727	269,096	258,829	1,242,145	1,275,679	-	-	2,084,864	1,953,235
Revenues toward third parties	338,295	246,943	213,682	204,890	379,830	368,240	-	-	931,807	820,073
Other income toward third parties	1,265	936	1,393	1,806	4,271	3,200	-	-	6,929	5,942
Intragroup Revenues and Other income	11,510	11,751	3,182	3,825	4,400	5,792	(19,092)	(21,368)	-	-
Total Revenues and Income	351,070	259,630	218,257	210,521	388,501	377,232	(19,092)	(21,368)	938,736	826,015
Adjusted EBITDA	177,974	149,022	50,667	61,978	88,657	87,785	-	-	317,298	298,785
<i>Adjusted EBITDA Margin**</i>	52.6%	60.3%	23.7%	30.2%	23.3%	23.8%			34.1%	36.4%
Costs not included in Adjusted EBITDA									(19,557)	(29,306)
Depreciation, amortization and impairment									(107,627)	(84,468)
Finance income									7,978	23,298
<i>of which non-recurring finance income***</i>									6,215	22,204
Finance expenses									(137,687)	(134,041)
<i>of which non-recurring finance expenses***</i>									(58,575)	(62,394)
Share of loss of equity accounted investments									-	(251)
Profit before tax									60,405	74,017
Income tax expense									(33,857)	(34,066)
Profit for the period****									26,548	39,951
Adjusted Net Profit*****									105,326	121,101

* Figures for the six months ended 30 June 2023 have been restated following the completion of the purchase price allocation relating to Betflag S.p.A..

** Adjusted EBITDA Margin is calculated as Adjusted EBITDA / Revenues toward third parties.

*** For details of non-recurring finance income and expenses, please refer to the "Net finance expenses" section of this document.

*** Includes the effect of the Purchase Price Allocation (PPA), mainly in relation to ex Gamenet Group, the acquired IGT business and Betflag, which had a negative impact of Euro 20.3 million on the net profit for the six months ended 30 June 2024 (Euro 25.1 million for the six months ended 30 June 2023), of which Euro 28.5 million relating to higher depreciation and amortization and Euro 8.2 million to the lower tax charge (Euro 35.3 million relating to higher depreciation and amortization and Euro 10.2 million to the lower tax charge for the six months ended 30 June 2023). For further details see Notes 8.6 and 8.9 to the Condensed Consolidated Interim Financial Statements.

***** For a reconciliation of Adjusted net profit, please refer to section "7. Group economic performance – Adjusted EBITDA, Adjusted EBIT and Adjusted Net Profit" of this document.

Adjusted EBITDA

Online

Adjusted EBITDA of the Online segment was Euro 178.0 million for the six months ended 30 June 2024, representing 56% of total Adjusted EBITDA, compared to Euro 149.0 million for the six months ended 30 June 2023. The increase in Adjusted EBITDA is related to the growth in bets and revenues as well as the contribution of SKS365, as commented above. Adjusted EBITDA margin for the six months ended 30 June 2024 decreased from 60.3% for the six months ended 30 June 2023 to 52.6% for the six months ended 30 June 2024, due to an unfavourable sports payout effect as well as the integration of SKS365, which contributed to the increase in business with lower marginality.

Sports Franchise

Adjusted EBITDA of the Sports Franchise segment was Euro 50.7 million for the six months ended 30 June 2024, compared to Euro 62.0 million for the six months ended 30 June 2023, representing 16% of total Adjusted EBITDA. Adjusted EBITDA for the six months ended 30 June 2024, as well as revenues, is negatively impacted by an unfavourable payout in January. Adjusted EBITDA margin decreased from 30.2% for the six months ended 30 June 2023, to 23.7% for the first six months of 2024.

Gaming Franchise

Adjusted EBITDA of the Gaming Franchise segment was substantially in line with the corresponding period of the prior year, amounting to Euro 87.8 million for the six months ended 30 June 2023, compared to Euro 88.7 million for the six months ended 30 June 2024. Adjusted EBITDA margin was substantially in line with the same period of the previous year, amounting to 23.8% for the six months ended 30 June 2023 and 23.3% for the six months ended 30 June 2024.

9. Cash flows

The following table shows summary details of the Group's cash flows for the six months ended 30 June 2024 and 2023:

(in thousands of Euro)	For the six months ended 30 June	
	2024	2023
Cash flow from operating activities (a)	306,576	273,617
Cash flow used in investing activities (b)	(247,970)	(56,477)
Cash flow generated / (used) in financing activities(c)	(224,111)	861,178
Net cash flow (a+b+c)	(165,505)	1,078,318
Cash and cash equivalents at the beginning of the period	294,682	234,838
Cash and cash equivalents at the end of the period	129,177	1,313,156

9.1. Cash flow from operating activities

Cash flow generated by operating activities was Euro 306.6 million for the six months ended 30 June 2024, an increase of Euro 33.0 million compared to Euro 273.6 million for the six months ended 30 June 2023, and mainly related to:

- cash flow from operating activities before the changes in net working capital of Euro 300.4 million for the six months ended 30 June 2024, an increase of Euro 15.7 million compared to Euro 284.7 million for the six months ended 30 June 2023. Such increase was substantially in line with the increase in Adjusted EBITDA (which increased by Euro 18.5 million from Euro 298.8 million for the six months ended 30 June 2023 to Euro 317.3 million for the six months ended 30 June 2024);
- cash inflow from net working capital of Euro 41.1 million attributable, among other things to:
 - the positive change of Euro 27.2 million related to a decrease in ADM guarantee deposits (it should be noted that the receivable outstanding as of 31 December 2023 was collected during the first half of 2024, partially offset by the new receivable accrued in the same period);
 - the positive change of Euro 88.2 million derived from the payment methods of the betting duties ("Imposta Unica") related to sports betting. During the first half of the year the liability accumulated in the month of December of the previous year is scheduled to be paid (in January), while during the third quarter the liability related to the period from January to April is paid (in August); finally, during the fourth quarter (in November) the liability related to the period from May to August is paid, and in December for the period September-November;
 - the negative change of Euro 46.3 million resulting from the evolution of PREU, mainly attributable to the evolution of collection trends.
 - the payment of Euro 25.8 million to the previous SKS365 management following the change of control.
- taxes paid in the period, amounting to Euro 33.7 million.

9.2. Cash flow used in investing activities

Cash flow used in investing activities was Euro 248.0 million for the six months ended 30 June 2024, an increase of Euro 191.5 million compared to Euro 56.5 million for the six months ended 30 June 2023. For the six months ended 30 June 2024, cash flows used in investing activities were mainly related to:

- recurring capital expenditure of Euro 41.5 million, mainly relating to the renovation of betting PoS, owned and indirect gaming halls, software development and software licensing costs as well as AWP cabinets and motherboards;
- concession capital expenditure amounting to Euro 47.8 million, mainly related to the renewal of concessions of Gaming Franchise (Euro 38.2 million) and Sport Franchise (Euro 9.6 million);
- extraordinary capital expenditure amounting to Euro 25.1 million, mainly related to (i), the PoS network optimization, and (ii) acquisition costs bolt-on M&A, distribution insourcing and deferred price components of previous acquisitions. It should be noted that extraordinary capital expenditure includes the payment for the purchase of the remaining 30% of the share capital of Billions Italia S.r.l. and the remaining 49% of the share capital of New Matic S.r.l. not owned by the Group, amounting to Euro 3.7 million for the six months ended 30 June 2024;
- the payment of the deferred price component related to the acquisition of Betflag amounting to Euro 50.0 million;

- net investment for the SKS365 Acquisition of Euro 87.2 million, related to (i) the consideration paid, net of the cash acquired, of Euro 591.7 million, partially offset by (ii) the cash flows from the release of the escrow account into which the funds of the December 2023 Notes had been transferred, amounting to Euro 504.5 million, including accrued interest.

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

	For the six months ended 30 June	
(in thousands of Euro)	2024	2023
Recurring capex	(41,514)	(32,396)
Concession capex	(47,765)	(9,521)
Extraordinary capex	(25,118)	(14,560)
Of which:		
Integration	(1,514)	-
Bolt-ons (including Deferred consideration)	(9,261)	(8,621)
Other	(14,343)	(5,939)
Deferred price Betflag	(50,000)	-
Cash Capital Expenditures	(164,397)	(56,477)
Adjustments for:		
Escrow account	504,464	-
SKS365 Acquisition	(591,724)	-
Acquisition of minorities (Billions Italia and New Matic)	3,687	-
Cash flow from investing activities	(247,970)	(56,477)

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

	For the six months ended 30 June	
(in thousands of Euro)	2024	2023
Adjusted EBITDA	317,298	298,785
Capital expenditures in recurring capex	(41,514)	(32,396)
Capital expenditures in concession capex	(47,765)	(9,521)
Operating cash flow	228,019	256,868

9.3. Cash flow generated / (used) in financing activities

Cash flow used in financing activities amounted to Euro 224.1 million for the six months ended 30 June 2024, compared to cash flow generated for the six months ended 30 June 2023 of Euro 861.2 million.

In relation to the Refinancing 2024 and the SKS365 Acquisition, cash flow used in financing activities amounted to Euro 52.2 million for the six months ended 30 June 2024 and mainly related to:

- the issuance of the May 2024 Notes of Euro 900 million;
- the payment of transaction costs for the notes issue amounting to Euro 19.5 million, of which Euro 9.5 million related to the May 2024 Notes and Euro 10.0 million related to the December 2023 Notes;
- the early repayment of the 2024 Notes Repaid of Euro 900 million and the payment of the make-whole as a result of the early repayment of the September 2022 Notes amounting to Euro 26.4 million;
- the payment of commitment fees on the bridge debt facility, which was initially subscribed for the SKS365 Acquisition and subsequently discharged upon the issuance of the December 2023 Notes, amounting to Euro 6.3 million.

In relation to the ordinary activities, cash flow used in financing activities amounted to Euro 170.5 million for the six months ended 30 June 2024 and mainly related to:

- net finance expenses paid of Euro 88.8 million, mainly related to interest on the notes (of which Euro 12.4 million related to the December 2023 Notes until the SKS365 acquisition date);
- dividends paid of Euro 65.5 million;
- lease payments of Euro 12.1 million;
- payment of finance expenses related to the revolving credit facility of Euro 2.8 million (of which Euro 0.9 million related to the arrangement fees for the additional revolving credit facility) and other bank borrowings of Euro 1.3 million.

It should be noted that the cash flow generated from financing activities for the six months ended 30 June 2023 mainly included net cash flows from: (i) the capital increase following the listing and (ii) the refinancing of the notes, which was completed in the second half of the year. For more details, please refer to the condensed consolidated interim financial statements as of and for the six months ended 30 June 2023.

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:

<i>(in thousands of Euro)</i>	As of 30 June 2024	As of 31 December 2023
A. Cash	129,177	294,682
B. Cash equivalent	-	-
C. Other current financial assets	31,418	530,475
D. Liquidity (A+B+C)	160,595	825,157
E. Current financial debt	1,997	15,305
F. Current portion of non-current financial debt	97,169	150,488
G. Current Financial Indebtedness (E+F)	99,166	165,793
H. Net Current Financial Indebtedness (G-D)	(61,429)	(659,364)
I. Non-current financial debt	91,779	103,276
J. Debt instruments	1,931,134	1,917,021
K. Non-current trade and other payables	-	-
L. Non-Current Financial Indebtedness (I+J+K)	2,022,913	2,020,297
M. Net Financial Indebtedness - ESMA (H+L)	1,961,484	1,360,933

Other current financial assets as of 30 June 2024 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 and Big Easy S.r.l. but managed by external operators, amounting to Euro 22.9 million, and (ii) the escrow account related to the acquisition of Goldbet of Euro 5.0 million. As of 31 December 2023, the item also includes Euro 497.5 million related to the proceeds from the December 2023 Notes deposited into an escrow account pending the completion of the SKS365 Acquisition, occurred in April 2024.

As of 30 June 2024, Current financial debt mainly relates to the fair value of the interest rate swap derivative instruments as of 30 June 2024.

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, amounting to Euro 29.9 million;
- the payable relating to the acquisition of Ricreativo, amounting to Euro 4.2 million;
- payables relating to other acquisitions totaling Euro 12.7 million;
- the payable relating to the eventual exercise of put options, amounting to Euro 50.8 million;

- the payable related to bank borrowings of Ricreativo and Kristal Palace S.r.l., amounting to Euro 3.5 million;
- the liability for accrued and unpaid interest on the notes issued for an aggregated amount of Euro 9.2 million;
- the financial liability recognized following the adoption of IFRS 16 of Euro 77.2 million.

Debt Instruments refers to:

- the May 2024 Notes issued for a total principal nominal amount of Euro 900 million (recognized at amortized cost of Euro 889.0 million as of 30 June 2024);
- the December 2023 Notes issued for a principal amount of Euro 500 million (recognized at amortized cost of Euro 487.0 million as of 30 June 2024);
- the senior secured notes issued on 1 June 2023 for a principal amount of Euro 565 million (recognized at amortized cost of Euro 555.1 million as of 30 June 2024) bearing interest at a fixed annual rate of 7.125%, to be paid semiannually (the "**June 2023 Notes**").

As of 31 December 2023, the item included the 2024 Notes Repaid, the June 2023 Notes and the December 2023 Notes, for a total nominal amount of Euro 1,965.0 million (recorded at amortized cost for Euro 1,917.0 million).

For further details regarding the item, see Note 9.10 to the Condensed Consolidated Interim Financial Statements and Note 9.16 to the Annual Consolidated Financial Statements.

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:

<i>(in thousands of Euro)</i>	As of 30 June 2024	As of 31 December 2023
September 2022 Notes*	-	350,000
June 2023 Notes*	565,000	1,115,000
December 2023 Notes*	500,000	500,000
May 2024 Notes*	900,000	-
IFRS 16	77,234	75,908
Cash and cash equivalents**	(129,177)	(792,182)
Net Financial Debt	1,913,057	1,248,726

* Represents the nominal value of the debt.

** As of 31 December 2023, the item also includes Euro 497.5 million related to the proceeds from the December 2023 Notes deposited into an escrow account pending the completion of the SKS365 Acquisition, occurred in April 2024.

11. Other information

11.1. Research and development

Research and development activities are related to the conception, creation, development and implementation of software applications, IT systems and platforms on behalf of the Group. For further details, see Notes 8.4 and 9.1 to the Condensed Consolidated Interim Financial Statements.

11.2. 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 six months ended 30 June 2024, please refer to the information in Note 10 to the Condensed Consolidated Interim Financial Statements.

11.3. Parent company's own shares held by it or its subsidiaries

As of 30 June 2024, the Company does not hold directly or through trustees or nominees, any treasury shares or shares of other parent companies, nor has it acquired or sold such shares or quotas during the period.

11.4. Main risks and uncertainties

The Group's business is exposed to a number of risks and uncertainties that may affect its financial position, results of operations and cash flows. With reference to the Group's financial risk management and related exposure, please refer to Note 3 of the Condensed Consolidated Interim Financial Statements as of 30 June 2024.

Please note that the Company has not carried out any atypical or unusual transactions at the reporting date.

11.5. Foreseeable operating performance

Following the strong performance in the second quarter of 2024, the acceleration in the realisation of cost synergies and expected bolt-ons, the Group has revised the forecast for the current fiscal year upward as follows:

- Revenues¹⁰ of approximately Euro 2,030 - 2,080 million (previously approximately Euro 2,020 - 2,065 million);
- Adjusted EBITDA¹⁰ of approximately Euro 700 – 730 million (previously approximately Euro 680-700 million);
- Guidance on capital expenditure for recurring and concession unchanged¹¹;
- Special growth initiatives and deferred consideration: all confirmed other than bolt-ons increased by €35m in 2024¹² (incremental c. €20m Adjusted EBITDA run rate expected in 2025).

12. Significant events occurring after the reporting period

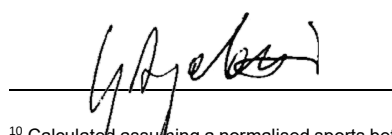
For details of significant events occurring after 30 June 2024, see Note 11.3 to the Condensed Consolidated Interim Financial Statements.

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



¹⁰ Calculated assuming a normalised sports betting payout for Lottomatica (79.7% for betting retail and 86.4% for betting online) and SKS365 (80.2% for betting retail and 84.4% for betting online).

¹¹ With SKS (c. €12m recurring and c. €4m concession retail). Online concession payments postponed to 2025 offset SKS recurring/concession capex.

¹² Additional c. €35-40m to be paid in 2025 or later.

Condensed consolidated interim financial statements as
of and for the six months ended 30 June 2024

Consolidated statement of comprehensive income

(in thousands of Euro)	Note	For the six months ended 30 June			
		2024	of which Related Parties (Note 10)	2023*	of which Related Parties (Note 10)
Revenues	8.1	931,807		820,073	
Other income	8.2	6,929	7	5,942	6
Total revenues and income		938,736		826,015	
Cost of services	8.3	(556,869)		(483,166)	
Personnel expenses	8.4	(64,816)	4,043	(48,964)	(2,352)
Other operating costs	8.5	(18,138)	(51)	(20,003)	(324)
Depreciation, amortization and impairments	8.6	(107,627)		(84,468)	
Impairment of receivables and financial assets	8.7	(347)		(4,605)	
Other (accruals)/releases	8.7	(825)		202	
Finance income	8.8	7,978		23,298	
Finance expenses	8.8	(137,687)		(134,041)	(23,420)
Share of loss of equity accounted investments		-		(251)	
Profit before tax		60,405		74,017	
Income tax expense	8.9	(33,857)		(34,066)	
Net profit for the period		26,548		39,951	
Net profit for the period attributable to non-controlling interests		2,815		2,590	
Net profit for the period attributable to the owners of the parent		23,733		37,361	
Earning per share - Base and diluted (in Euro)		0.09		0.17	

(in thousands of Euro)	Note	For the six months ended 30 June			
		2024	of which Related Parties (Note 10)	2023*	of which Related Parties (Note 10)
Net profit for the period		26,548		39,951	-
Actuarial gains and losses on employee benefit liabilities		411		(3)	-
Fiscal effect		(99)		1	-
Other items that will not be classified to profit or loss		312		(2)	-
Gains and (losses) on hedging derivatives	9.9	11,172		(23,554)	-
Fiscal effect on Gains and (losses) on hedging derivatives	9.9	(2,683)		5,653	-
Gains and (losses) on conversion of financial statements of the foreign companies		13		(725)	-
Other items that will be classified to profit or loss		8,502		(18,626)	-
Total comprehensive profit		35,362		21,323	-
Total comprehensive profit attributable to non-controlling interests		2,815		2,590	-
Total comprehensive profit attributable to the owners of the parent		32,547		18,733	-

* The figures for the three months ended 30 June 2023 have been restated following the completion of the purchase price allocation relating to Betflag S.p.A..

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

Consolidated statement of comprehensive income

	For the three months ended 30 June	
(in thousands of Euro)	2024*	2023*
Revenues	491,728	397,811
Other income	3,054	3,344
Total revenues and income	494,782	401,155
Cost of services	(291,759)	(236,074)
Personnel expenses	(38,772)	(24,476)
Other operating costs	(9,309)	(13,007)
Depreciation, amortization and impairments	(55,706)	(42,707)
Impairment of receivables and financial assets	(98)	(3,968)
Other (accruals)/releases	(825)	202
Finance income	1,970	23,286
Finance expenses	(92,396)	(96,563)
Share of profit/(loss) of equity accounted investments	-	(355)
Profit before tax	7,887	7,493
Income tax expense	(11,475)	(11,281)
Loss for the period	(3,588)	(3,788)
Net profit for the period attributable to non-controlling interests	1,287	654
Loss for the period attributable to the owners of the parent	(4,875)	(4,442)

	For the three months ended 30 June	
(in thousands of Euro)	2024*	2023*
Net Loss for the period	(3,588)	(3,788)
Actuarial gains and losses on employee benefit liabilities	310	53
Fiscal effect	(75)	(12)
Other items that will not be classified to profit or loss	235	41
Gains and (losses) on hedging derivatives	2,845	(22,291)
Fiscal effect Gains and (losses) on hedging derivatives	(685)	5,350
Gains and (losses) on conversion of financial statements of the foreign companies	43	(112)
Other items that will be classified to profit or loss	2,203	(17,053)
Total comprehensive loss	(1,150)	(20,800)
Total comprehensive profit attributable to non-controlling interests	1,287	654
Total comprehensive loss attributable to the owners of the parent	(2,437)	(21,454)

Consolidated statement of financial position

<i>(in thousands of Euro)</i>	<i>Note</i>	As of 30 June 2024	<i>of which Related Parties (Note 10)</i>	As of 31 December 2023	<i>of which Related Parties (Note 10)</i>
Intangible assets	9.1	524,192		561,321	
Goodwill	9.2	2,172,569		1,481,917	
Property, plant and equipment	9.3	130,308		109,234	
Right of use	9.4	70,714		69,555	
Investment property		449		462	
Non-current financial assets	9.5	7,549		614	
Equity accounted investments		285		285	
Non-current trade receivables	9.6	990		955	
Deferred tax assets		12,893		-	
Other non-current assets	9.7	25,759		14,348	
Total non-current assets		2,945,708		2,238,691	
Inventories		1,358		1,495	
Current trade receivables	9.6	85,376	2	95,825	3
Current financial assets	9.5	31,418		530,475	
Tax receivables		595		872	
Other current assets	9.7	121,877		120,155	
Cash and cash equivalents	9.8	129,177		294,682	
Total current assets		369,801		1,043,504	
Total assets		3,315,509		3,282,195	
Share capital	9.9	10,000		10,000	
Other reserves	9.9	405,959		471,383	
Retained earnings	9.9	44,627		16,989	
Total shareholders' equity attributable to the owners of the parent		460,586		498,372	
Equity attributable to non-controlling interests	9.9	44,914		43,218	
Total shareholders' equity		505,500		541,590	
Employee benefit liabilities		23,946		22,016	
Non-current financial liabilities	9.10	2,022,913		2,020,297	
Provisions for risks and charges	9.11	5,689		4,891	
Deferred tax liabilities		98,171		101,147	
Other non-current liabilities	9.12	62,537		17,676	
Total non-current liabilities		2,213,256		2,166,027	
Current financial liabilities	9.10	99,166		165,793	560
Current trade payables	9.13	117,149	57	95,911	214
Tax payables		11,289		4,649	
Other current liabilities	9.12	369,149	1,332	308,225	2,379
Total current liabilities		596,753		574,578	
Total equity and liabilities		3,315,509		3,282,195	

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

Consolidated statement of cash flows

For the six months ended 30 June					
(in thousands of Euro)	Note	2024	of which Related Parties (Note 10)	2023*	of which Related Parties (Note 10)
INDIRECT METHOD					
Profit before tax		60,405		74,017	
<i>Reconciliation of profit before tax with cash flow from operating activities:</i>					
Depreciation, Amortization and Impairment	8.6	107,627		84,468	
Accruals and write-downs for impairment losses	8.7	1,172		4,403	
Other accruals	8.4	1,541		2,428	
Share of loss of equity accounted investments		-		251	
Net financial expenses	8.8	127,623	-	109,169	23,420
Leasing financial expenses	8.8	2,086		1,574	
Other adjustments for non-monetary items		(75)		8,374	
Cash flow from operating activities before changes in net working capital		300,379		284,684	
<i>Changes in net working capital</i>					
- Decrease in inventories		167		1,185	
- Decrease in trade receivables	9.6	12,277	(6)	20,972	1
- (Decrease)/increase in trade payables	9.13	921	(208)	(20,324)	(3,785)
Other changes in net working capital	9.7 - 9.12	27,784	(5,090)	64,063	(1,088)
Cash flow from changes in net working capital		41,149		65,896	
Income taxes paid		(33,667)		(76,364)	
Accruals to employee benefits and provisions for risks and charges	9.11	(1,285)		(599)	
Cash flow from operating activities (a)		306,576		273,617	
<i>Cash flow from investing activities</i>					
Investments:		(105,138)		(49,456)	
- intangible assets	9.1	(74,333)		(28,592)	
- property, plant and equipment	9.3	(30,805)		(20,864)	
Escrow account	9.5	504,464		-	
Net disposal in financial assets	9.5	-		1,600	(250)
Deferred purchase consideration for acquisition of subsidiaries/business units	9.10	(54,146)		8,621	
Acquisition net of cash and cash equivalents	9.10	(593,150)		-	
Cash flow from investing activities (b)		(247,970)		56,477	
<i>Cash flow from financing activities</i>					
Lease payment	9.10	(12,066)		(9,470)	
Repayment of other bank liabilities	9.10	(1,254)		(438)	
Net financial expenses on RCF	9.10	(2,848)		(5,972)	
Proceeds from closing IRS		-		19,845	
Repayment of bond	9.10	(900,000)		(300,000)	
Refinancing fees (Bridge Loan & Make-whole)	9.10	(32,693)		-	
Proceeds from bond issuance	9.10	900,000		1,109,500	
Net financial expenses on raising of bond	9.10	(19,542)	(1,235)	(7,027)	(1,248)
Repayment of Bondco loan		-		(296,795)	(296,795)
Changes in current and non-current financial assets	9.10	2,272		-	
Net financial expenses	9.10	(88,822)		(48,820)	
Transaction with minorities	9.9	(3,665)		(4,272)	
Dividends paid	9.9	(65,493)		(971)	
Transactions cost capital increase	9.9	-		(19,402)	(774)
Capital increase	9.9	-		425,000	
Cash flow from financing activities (c)		(224,111)		861,178	
Net Cash flow (a+b+c)		(165,505)		1,078,318	
Cash and cash equivalents at the beginning of the period	9.8	294,682		234,838	
Cash and cash equivalents at the end of the period	9.8	129,177		1,313,156	

* The figures for the six months ended 30 June 2023 have been restated following the completion of the purchase price allocation relating to Betflag S.p.A..

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

Consolidated statement of changes in equity

<i>(in thousands of Euro)</i>	<i>Note</i>	<i>Share capital</i>	<i>Legal Reserve</i>	<i>Share premium reserve</i>	<i>Other Reserves</i>	<i>Total Other Reserves</i>	<i>Retained Earnings/ (Losses)</i>	<i>Total Shareholders' Equity Attributable to Owners of the Parent</i>	<i>Equity Attributable to Minority Interests</i>	<i>Total Shareholders' Equity</i>
As of 31 December 2022*	9.9	50	10	-	78,949	78,959	(27,619)	51,390	55,168	106,558
Net profit for the period		-	-	-	-	-	37,361	37,361	2,590	39,951
Other items of comprehensive income		-	-	-	-	-	(18,628)	(18,628)	-	(18,628)
Total Comprehensive income		-	-	-	-	-	18,733	18,733	2,590	21,323
Dividends distribution		-	-	-	-	-	-	-	(971)	(971)
Capital increase		9,900	-	415,100	-	415,100	-	425,000	-	425,000
Capital increase transaction costs**		-	-	(20,514)	-	(20,514)	-	(20,514)	-	(20,514)
Transaction with minorities		50	-	39,624	2,814	42,438	-	42,488	(46,760)	(4,272)
Stock option		-	-	-	-	-	82	82	-	82
As of 30 June 2023*	9.9	10,000	10	434,210	81,763	515,983	(8,804)	517,179	10,027	527,206

<i>(in thousands of Euro)</i>	<i>Note</i>	<i>Share capital</i>	<i>Legal Reserve</i>	<i>Share premium reserve</i>	<i>Other Reserves</i>	<i>Total Other Reserves</i>	<i>Retained Earnings/ (Losses)</i>	<i>Total Shareholders' Equity Attributable to Owners of the Parent</i>	<i>Equity Attributable to Minority Interests</i>	<i>Total Shareholders' Equity</i>
As of 31 December 2023	9.9	10,000	10	433,832	37,541	471,383	16,989	498,372	43,218	541,590
Net profit for the period		-	-	-	-	-	23,733	23,733	2,815	26,548
Other items of comprehensive income		-	-	-	-	-	8,814	8,814	-	8,814
Total comprehensive income		-	-	-	-	-	32,547	32,547	2,815	35,362
Dividends distribution		-	-	(65,424)	-	(65,424)	-	(65,424)	(440)	(65,864)
Stock options		-	-	-	-	-	367	367	-	367
Transactions with minorities		-	-	-	-	-	(5,276)	(5,276)	(679)	(5,955)
As of 30 June 2024	9.9	10,000	10	368,408	37,541	405,959	44,627	460,586	44,914	505,500

* The figures for the six months ended 30 June 2023 have been restated following the completion of the purchase price allocation relating to Betflag S.p.A..

** "Capital increase transaction costs" amounted to Euro 27.0 million and are indicated net of the related tax benefit of Euro 6.5 million.

(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 six months ended 30 June 2024

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 AWP (amusement with prize machines) and VLTs (video lottery terminals) entertainment device networks and management of owned gaming halls and AWP (Gaming Franchise).

These condensed consolidated interim financial statements as of and for the six months ended 30 June 2024 (hereinafter the “**Condensed Consolidated Interim Financial Statements**”) were approved by the Company’s Board of Directors on 29 July 2024 and is subject to limited review by PricewaterhouseCoopers S.p.A..

2. Basis of preparation and accounting policies

2.1. Basis of preparation

These Condensed Consolidated Interim Financial Statements, prepared pursuant to Article 154 ter of Legislative Decree 58/98, as amended, 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 2023 approved by the Board of Directors on 28 February 2024 (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 30 June 2024 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 six months ended 30 June 2023, 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 six months ended 30 June 2023. For further details about the purchase price allocation, please refer to Note 7.2 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.

From tax period 2024, the Group falls within the scope of the Pillar II/GloBE rules. Specifically, these rules came into effect in Italy as of 1 January 2024 as a result of Legislative Decree No. 209/2023 implementing Directive No. 2523/2022/EU. In summary, the Pillar II 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" for the entire Group for Pillar II purposes. In this regard, it is relevant to note that during 2024 tax period, the structure of the Group has changed. In fact, during the first half of 2024, the Group acquired 100% of the share capital of SKS365 (as defined below). This resulted in a change in the Group's structure

and scope, the effects of which, for Pillar II purposes, will have to be reevaluated in relation to the figures for financial year 2024, the financial year impacted by the SKS365 Acquisition (as defined below).

From this preliminary analysis and based on available information, management does not expect significant impacts regarding the application of Pillar II regulations as of this Condensed Consolidated Interim Financial Statement.

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. It should be noted that the Group's scope of consolidation has changed compared to the Annual Consolidated Financial Statements as a result of:

- the acquisitions completed during the first half of 2024, in particular the SKS365 Acquisition (as defined below) as well as other minor acquisitions for which please refer to Note 7 of this document;
- the acquisition of the remaining portions of share capital of Billions Italia S.r.l. and New Matic S.r.l. by Gamenet S.p.A, as indicated in Note 11.2.8 and Note 11.2.12;
- the capital increase of Gnetwork S.r.l. subscribed by Fox Service S.r.l. following the contribution in-kind of its "gaming" business activities;
- the merger of Slottery S.r.l and The Box S.r.l. into Big Easy S.r.l. as indicated in Note 11.2.11;
- the establishment of the company TotoSì Servizi S.r.l. on 28 May 2024.

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 30 June 2024.

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 30 June 2024, there was no changes in the application of estimates and assumptions by the management compared to the Annual Consolidated Financial Statements.

2.4. Recently issued accounting standards

2.4.1. Accounting standards, amendments effective from 1 January 2024

The following list illustrates the new standards and interpretations approved by the IASB, endorsed by the EU and applied since 1 January 2024:

	Endorsed by the EU	Effective date
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (issued on 25 May 2023)	YES	Accounting periods beginning on or after 1 January 2024
Amendments to IAS 1 Presentation of Financial Statements:		
• <i>Classification of Liabilities as Current or Non-current Date (issued on 23 January 2020);</i>	YES	Accounting periods beginning on or after 1 January 2024
• <i>Classification of Liabilities as Current or Non-current - Deferral of Effective Date (issued on 15 July 2020); and</i>		
• <i>Non-current Liabilities with Covenants (issued on 31 October 2022)</i>		
Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (issued on 22 September 2022)	YES	Accounting periods beginning on or after 1 January 2024

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
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
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (issued on 15 August 2023)	NO	Accounting periods beginning on or after 1 January 2025

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

The Group's activities are exposed to different types of risk: market risk (particularly interest rate risk), credit risk and liquidity risk. These Condensed Consolidated Interim Financial Statements does not include all the information on financial risks described in the Annual Consolidated Financial Statements, to which we refer for a more detailed analysis.

Compared with what is described in the Annual Consolidated Financial Statements, there are no significant changes in the types of risks to which the Group is exposed or in the policies for managing them, except as indicated below.

3.1. Market Risk

Interest rate risk

Changes in interest rates on the variable component of debt and cash may result in higher or lower financial expenses/income.

In particular, this risk is mainly attributable to the potential change in cash flows related to changes in the interest rate on (i) the December 2023 Notes (as defined below) amounting to Euro 500 million and (ii) the floating portion of the May 2024 Notes (as defined below) amounting to Euro 400 million, both with coupons indexed to the three-month EURIBOR rate (with a floor of 0%) plus a contractually defined spread. It should be noted that during the first half of 2024, the Group repaid the floating portion of the notes issued in June 2023 for a nominal amount of Euro 550 million.

With reference to the floating portion of the May 2024 Notes, in order to partially hedge the risk relating to possible changes in the interest rates, Lottomatica S.p.A. entered into two derivative contracts with UniCredit S.p.A. and Deutsche Bank AG, respectively, each for a notional amount of Euro 137.5 million; while, with reference to the December 2023 Notes (as defined below), in order to hedge the risk arising from possible changes in interest rates, Lottomatica S.p.A. has entered into two derivative contracts with UniCredit S.p.A. and Deutsche Bank AG, for a notional amount of Euro 250 million each.

These derivative contracts partially hedge against the risk associated with a potential increase in interest rates by exchanging the bond's three-month EURIBOR rate with a contractually determined fixed interest rate. Such hedging transactions are accounted for as cash flow hedges in accordance with IFRS 9 – Financial Instruments.

3.2. Liquidity Risk

The exposure to such risk mainly relates to the commitments associated with the bonds issued respectively on 29 May 2024 for a total amount of Euro 900 million maturing in 2030 for the fixed rate portion and in 2031 for the floating rate portion, on 14 December 2023 for Euro 500 million maturing in 2030 and on 1 June 2023 for Euro 565 million maturing in 2028, as well as with the revolving credit facility for a total of Euro 400 million in addition to Euro 50 million available for bank guarantees (undrawn at the reporting date). It should be noted that on 29 May 2024, Lottomatica S.p.A., following the exercise of the "early redemption" option, repaid in advance the senior secured notes issued respectively on 27 September 2022 and the floating rate portion of the senior secured notes issued on 1 June 2023 for a total amount of Euro 900 million.

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 597.4 million, Euro 507.5 million and Euro 913.6 million, respectively.

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

<i>(in thousands of Euro)</i>	Level 1	Level 2	Level 3	As of 30 June 2024
Derivative financial instruments assets	-	5,057	-	5,057
Derivative financial instruments liabilities	-	(1,380)	-	(1,380)
Total	-	3,677	-	3,677

<i>(in thousands of Euro)</i>	Level 1	Level 2	Level 3	As of 31 December 2023
Derivative financial instruments assets	-	45	-	45
Derivative financial instruments liabilities	-	(7,539)	-	(7,539)
Total	-	(7,494)	-	(7,494)

During the periods under review, the Group did not make any changes regarding valuation techniques for financial instruments accounted for at fair value.

6. Operating segments

As of 30 June 2024 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. The following table provides details of Group operating segments for the six months ended 30 June 2024 and 2023 analyzed by the Group's management.

	Online		Sports Franchise		Gaming Franchise		Elimination		Total	
<i>(in thousands of Euro)</i>	Jun '24	Jun '23	Jun '24	Jun '23	Jun '24	Jun '23	Jun '24	Jun '23	Jun '24	Jun '23*
Revenues toward third parties	338,295	246,943	213,682	204,890	379,830	368,240	-	-	931,807	820,073
Other income toward third parties	1,265	936	1,393	1,806	4,271	3,200	-	-	6,929	5,942
Intragroup Revenues and Other income	11,510	11,751	3,182	3,825	4,400	5,792	(19,092)	(21,368)	-	-
Total Revenues and Income	351,070	259,630	218,257	210,521	388,501	377,232	(19,092)	(21,368)	938,736	826,015
Adjusted EBITDA	177,974	149,022	50,667	61,978	88,657	87,785	-	-	317,298	298,785
Adjusted EBITDA Margin**	52.6%	60.3%	23.7%	30.2%	23.3%	23.8%	-	-	34.1%	36.4%
Costs not included in Adjusted EBITDA									(19,557)	(29,306)
<i>of which:</i>										
-monetary									(17,904)	(16,971)
- non-monetary									(1,653)	(12,335)
Depreciation, amortization and impairments									(107,627)	(84,468)
Finance income									7,978	23,298
<i>of which non-recurring finance income***</i>									6,215	22,204
Finance expenses									(137,687)	(134,041)
<i>of which non-recurring finance expenses***</i>									(58,575)	(62,394)
Share of loss of equity accounted investments									-	(251)
Profit before tax									60,405	74,017
Income tax expense									(33,857)	(34,066)
Net profit for the period									26,548	39,951

* The figures for the six months ended 30 June 2023 have been restated following the completion of the purchase price allocation relating to Betflag S.p.A..

** Adjusted EBITDA Margin defined as Adjusted EBITDA / Revenues toward third parties.

*** For details of non-recurring finance income and expenses, please refer to Note 8.8.

7. Business combinations and acquisition of businesses

The acquisitions made during the six months ended 30 June 2024 are briefly described below.

7.1. Acquisition of Kristal Palace S.r.l.

On 31 January 2024, Big Easy S.r.l. finalized the acquisition of the entire share capital of Kristal Palace S.r.l., a company operating in the management of Bingo halls as well as AWP and VLT devices within them. The consideration for the acquisition, amounting to Euro 0.7 million, was defined as the base price adjusted for the net financial indebtedness determined based on contractual provisions amounting to Euro 1.3 million. The consideration may be adjusted based on the actual net financial indebtedness of the company at the date of completion of the acquisition. Of this amount, Euro 0.2 million was paid in advance in October 2023, Euro 0.2 million was paid over three monthly installments starting from January 2024, and Euro 0.3 million have been paid over three monthly installments of Euro 0.1 million each by June 2024.

The aforementioned acquisition resulted in an increase in revenue of approximately Euro 0.7 million, while it did not have significant impacts on the Group's net profit for the period from the acquisition date to 30 June 2024. Such amounts have been calculated based on the accounting records of the acquired company as of the date closest to the date control was assumed, namely 1 January 2024, adjusted as required to recognize any differences with respect to the accounting policies adopted by the Group (other differences relating to the period between 1 January 2024 and 31 January 2024 are not considered to be significant).

The net asset acquired were preliminary recognized at fair value, together with goodwill amounting to approximately Euro 1.3 million, calculated as shown in the table below:

<i>(in thousands of Euro)</i>	Book Value at acquisition date	Purchase price allocation at acquisition date	Fair Value at acquisition date
Intangible assets	14	-	14
Property, plant and equipment	548	-	548
Right of use	1,890	-	1,890
Financial assets	295	-	295
Trade receivables	2	-	2
Inventories	30	-	30
Other assets	657	-	657
Cash and cash equivalents	337	-	337
Provisions for risks and charges	(67)	-	(67)
Employee benefit liabilities	(147)	-	(147)
Financial liabilities	(2,259)	-	(2,259)
Trade payables	(203)	-	(203)
Tax payables	(12)	-	(12)
Other liabilities	(1,692)	-	(1,692)
Net acquired assets (liabilities) (A)	(607)	-	(607)
Purchase price (B)	675	-	675
Goodwill (B) - (A)	1,282	-	1,282

As of the date of preparing this document, the final measurement of the fair value of the assets acquired and liabilities assumed, as well as the amount to be allocated to goodwill, is still ongoing and, therefore, in accordance with the provisions of IFRS 3, the Group will complete such measurement within twelve months from the acquisition date. The provisional values of the assets acquired and liabilities assumed may be adjusted retrospectively to recognize their fair value at the acquisition date, with such adjustment involving the recalculation of goodwill.

Net cash flows relating to the acquisition are shown in the following table:

<i>(in thousands of Euro)</i>	
Consideration paid as of 30 June 2024	(505)
Cash and cash equivalents at acquisition date	337
Net cash flow from acquisition as of 30 June 2024	(168)

7.2. Acquisition of SKS365 Malta Holdings Limited

On 24 April 2024, GBO S.p.A. finalized the acquisition of the entire share capital of SKS365 Malta Holdings Limited, an omnichannel operator in the Italian online and sports betting market. The consideration for the acquisition was Euro 621.5 million including leakages and ticking fees, contractually determined, fully paid at the completion date through the release from the escrow account of proceeds related to the bond issued by Lottomatica S.p.A. on 14 December 2023, together with the available cash.

The aforementioned acquisition resulted in increased revenue of approximately Euro 52.8 million and an increase of around Euro 2.0 million in Groups net profit for the period from the acquisition date to 30 June 2024. Such amounts have been calculated based on the accounting records of the acquired company as of the date closest to the date control was assumed, namely 30 April 2024, adjusted as required to recognize any differences with respect to the accounting principles adopted by the Group (other differences relating to the period between 24 April 2024 and 30 April 2024 are not considered to be significant). If the acquisition had taken place on 1 January 2024, it would have contributed increased revenues of approximately Euro 160.7 million and a decrease of approximately Euro 16.1 million in the Group's net profit for the six months ended 30 June 2024 (excluding non-recurring costs related to SKS365's management as a result of the change of control, the acquisition would have contributed to an increase of Euro 9.7 million in Groups net profit). The acquisition costs amounted to approximately Euro 9.9 million (of which Euro 1.7 million incurred in 2024).

The asset and liabilities acquired were preliminary recognized at fair value, together with goodwill amounting to approximately Euro 682.3 million, calculated as shown in the table below:

<i>(in thousands of Euro)</i>	Book Value at acquisition date	Purchase price allocation at acquisition date	Fair Value at acquisition date
Intangible assets	12,585	-	12,585
Property, plant and equipment	11,139	-	11,139
Right of use	3,383	-	3,383
Financial assets	931	-	931
Trade receivables	2,042	-	2,042
Deferred tax assets	10,959	-	10,959
Tax receivables	856	-	856
Other assets	35,274	-	35,274
Cash and cash equivalents	29,816	-	29,816
Provisions for risks and charges	(40)	-	(40)
Employee benefit liabilities	(955)	-	(955)
Financial liabilities	(3,687)	-	(3,687)
Trade payables	(21,146)	-	(21,146)
Other liabilities	(141,952)	-	(141,952)
Net acquired assets (liabilities) (A)	(60,795)	-	(60,795)
Purchase price (B)	621,540	-	621,540
Goodwill (B) - (A)	682,335	-	682,335

As of the date of preparing this document, the final measurement of the fair value of the assets acquired and liabilities assumed, as well as the amount to be allocated to goodwill, is still ongoing and, therefore, in accordance with the provisions of IFRS 3, the Group will complete such measurement within twelve months from the acquisition date. The provisional values of the assets acquired and liabilities assumed may be adjusted retrospectively to recognize their fair value at the acquisition date, with such adjustment involving the recalculation of goodwill.

Net cash flows relating to the acquisition are shown in the following table:

<i>(in thousands of Euro)</i>	
Consideration paid as of 30 June 2024	(621,540)
Cash and cash equivalents at acquisition date	29,816
Net cash flow from acquisition as of 30 June 2024	(591,724)

7.3. Acquisition of Dea Bendata S.r.l.

On 15 May 2024, Big Easy S.r.l. finalized the acquisition of the entire share capital of Dea Bendata S.r.l., a company operating in Gaming Franchise sector. The consideration for the acquisition was Euro 1.2 million plus price adjustment. Of this amount, Euro 0.7 million was paid on the acquisition date, while Euro 0.5 million, as deferred consideration component, will be paid, upon the occurrence of certain contractual conditions, within 12 months from the acquisition date.

The aforementioned acquisition did not have significant impacts on the Group's net profit for the period from the acquisition date to 30 June 2024. Such amounts have been calculated based on the accounting records of the acquired company as of the date closest to the date control was assumed, namely 30 April 2024, adjusted as required to recognize any differences with respect to the accounting policies adopted by the Group (other differences relating to the period between 30 April 2024 and 15 May 2024 are not considered to be significant).

The asset and liabilities acquired were recognized at fair value, together with goodwill amounting to approximately Euro 1.0 million, calculated as shown in the table below:

<i>(in thousands of Euro)</i>	Book Value at acquisition date	Purchase price allocation at acquisition date	Fair Value at acquisition date
Property, plant and equipment	32	-	32
Financial assets	2	-	2
Trade receivables	5	-	5
Other assets	4	-	4
Cash and cash equivalents	325	-	325
Employee benefit liabilities	(57)	-	(57)
Trade payables	(47)	-	(47)
Tax payables	(32)	-	(32)
Other liabilities	(16)	-	(16)
Net acquired assets (liabilities) (A)	216	-	216
Purchase price (B)	1,199	-	1,199
Goodwill (B) - (A)	983	-	983

As of the date of preparing this document, the final measurement of the fair value of the assets acquired and liabilities assumed, as well as the amount to be allocated to goodwill, is still ongoing and, therefore, in accordance with the provisions of IFRS 3, the Group will complete such measurement within twelve months from the acquisition date. The provisional values of the assets acquired and liabilities assumed may be adjusted retrospectively to recognize their fair value at the acquisition date, with such adjustment involving the recalculation of goodwill.

Net cash flows relating to the acquisition are shown in the following table:

<i>(in thousands of Euro)</i>	
Consideration paid as of 30 June 2024	(749)
Cash and cash equivalents at acquisition date	325
Net cash flow from acquisition as of 30 June 2024	(424)

7.4. Acquisition of Macao Phygital S.r.l.

On 31 May 2024, GBO S.p.A. finalized the acquisition of the entire share capital of Macao Phygital S.r.l. a dealer operating in the online betting activities. The consideration for the acquisition, amounting to Euro 0.3 million plus price adjustment. It was paid at the acquisition date.

The aforementioned acquisition resulted in an increase in revenue of approximately Euro 0.2 million, while it did not have significant impacts on the Group's net profit for the period from the acquisition date to 30 June 2024. Such amounts have been calculated based on the accounting records of the acquired company as of the date closest to the date control was assumed, namely 31 May 2024, adjusted as required to recognize any differences with respect to the accounting policies adopted by the Group.

The asset and liabilities acquired were recognized at fair value, together with goodwill amounting to approximately Euro 0.1 million, calculated as shown in the table below:

<i>(in thousands of Euro)</i>	Book Value at acquisition date	Purchase price allocation at acquisition date	Fair Value at acquisition date
Intangible assets	535	-	535
Property, plant and equipment	180	-	180
Trade receivables	161	-	161
Other assets	266	-	266
Net deferred tax assets	8	-	8
Cash and cash equivalents	449	-	449
Employee benefit liabilities	(8)	-	(8)
Trade payables	(1,051)	-	(1,051)
Other liabilities	(379)	-	(379)
Net acquired assets (liabilities) (A)	161	-	161
Purchase price (B)	250	-	250
Goodwill (B) - (A)	89	-	89

As of the date of preparing this document, the final measurement of the fair value of the assets acquired and liabilities assumed, as well as the amount to be allocated to goodwill, is still ongoing and, therefore, in accordance with the provisions of IFRS 3, the Group will complete such measurement within twelve months from the acquisition date. The provisional values of the assets acquired and liabilities assumed may be adjusted retrospectively to recognize their fair value at the acquisition date, with such adjustment involving the recalculation of goodwill.

Net cash flows relating to the acquisition are shown in the following table:

<i>(in thousands of Euro)</i>	
Consideration paid as of 30 June 2024	(250)
Cash and cash equivalents at acquisition date	449
Net cash flow from acquisition as of 30 June 2024	199

7.5. Acquisition of Galletto Fortunato S.r.l.

On 6 June 2024, Big Easy S.r.l. finalized the acquisition of the entire share capital of Galletto Fortunato S.r.l., a company operating in the management of Bingo halls as well as AWP and VLT devices within them. The consideration for the acquisition, amounting to Euro 1.7 million, was defined as the sum of a base price plus net financial indebtedness as determined based on contractual provisions. The consideration may be adjusted based on the actual net financial indebtedness of the company at the acquisition date. Of this amount, Euro 1.2 million was paid on the acquisition date, while Euro 0.5 million, as deferred consideration component, will be paid, upon the occurrence of certain contractual conditions, within 12 months from the acquisition date.

The aforementioned acquisition did not have significant impacts on the Group's net profit for the period from the acquisition date to 30 June 2024. Such amounts have been calculated based on the accounting records of the acquired company as of the date closest to the date control was assumed, namely 31 May 2024, adjusted as required to recognize any differences with respect to the accounting policies adopted by the Group (other differences relating to the period between 31 May 2024 and 6 June 2024 are not considered to be significant).

The asset and liabilities acquired were recognized at fair value, together with goodwill amounting to approximately Euro 1.5 million, calculated as shown in the table below:

<i>(in thousands of Euro)</i>	Book Value at acquisition date	Purchase price allocation at acquisition date	Fair Value at acquisition date
Intangible assets	67	-	67
Property, plant and equipment	40	-	40
Trade receivables	475	-	475
Other assets	58	-	58
Net deferred tax assets	96	-	96
Cash and cash equivalents	192	-	192
Employee benefit liabilities	(181)	-	(181)
Trade payables	(76)	-	(76)
Other liabilities	(475)	-	(475)
Net acquired assets (liabilities) (A)	196	-	671
Purchase price (B)	1,679	-	1,679
Goodwill (B) - (A)	1,483	-	1,008

As of the date of preparing this document, the final measurement of the fair value of the assets acquired and liabilities assumed, as well as the amount to be allocated to goodwill, is still ongoing and, therefore, in accordance with the provisions of IFRS 3, the Group will complete such measurement within twelve months from the acquisition date. The provisional values of the assets acquired and liabilities assumed may be adjusted retrospectively to recognize their fair value at the acquisition date, with such adjustment involving the recalculation of goodwill.

Net cash flows relating to the acquisition are shown in the following table:

<i>(in thousands of Euro)</i>	
Consideration paid as of 30 June 2024	(1,179)
Cash and cash equivalents at acquisition date	192
Net cash flow from acquisition as of 30 June 2024	(987)

7.6. 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 in the period up to 30 June 2024 are summarized below:

<i>(in thousands of Euro)</i>	Fair Value at acquisition date
Intangible assets	13
Property, plant and equipment *	1,528
Other assets	18
Cash and cash equivalents	1,647
Employee benefit liabilities	(563)
Financial liabilities	(1,777)
Trade payables	(604)
Tax payables	(24)
Other liabilities	(1,391)
Net acquired assets (liabilities) (A)	(1,153)
Purchase price (B)	5,255
Goodwill (B) - (A)	6,408

* Related to 1,120 AWP devices.

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 30 June 2024 the cash flow relating to the total consideration paid for the acquisition of the businesses amounted to Euro 1.7 million.

8. Notes to the consolidated statement of comprehensive income

8.1. Revenues

The following table provides a breakdown of “Revenues”:

	For the six months ended 30 June	
(in thousands of Euro)	2024	2023
Online	338,295	246,943
Sports Franchise	213,682	204,890
Gaming Franchise	379,830	368,240
of which:		
AWP	138,886	138,791
VLT	218,927	218,375
Retail and Street Operations	22,017	11,074
Total	931,807	820,073

The increase in Revenues of Euro 111.7 million for the six months ended 30 June 2024, compared to the previous period in 2023, was attributable to:

- the increase in revenue in the Online segment of Euro 91.4 million mainly due to the contribution of SKS365 Acquisition of Euro 33.9 million and the overall market growth as well as the increase in market share across all segments and brands of the Group;
- the increase in revenue in the Sports Franchise segment of Euro 8.8 million mainly related to the SKS365 Acquisition for Euro 18.8 million, partially offset by the negative impact of a high payout, especially in the month of January 2024;
- the increase in revenue in the Gaming Franchise segment of Euro 11.6 million, mainly due to the contribution of Ricreativo, acquired in September 2023.

8.2. Other income

“Other income” amounted to Euro 6.9 million (of which Euro 0.1 million related to SKS365) for the six months ended 30 June 2024 (Euro 5.9 million for the six months ended 30 June 2023) 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 transfer to the supply-chain of costs incurred in relation to the acquisition of AWP NOE and NOD concession agreements; and (iii) income from the re-sale of consumables and provision of services in halls; and income from other operations.

8.3. Cost of services

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

<i>(in thousands of Euro)</i>	For the six months ended 30 June	
	2024	2023
Distribution network compensation	(382,178)	(343,968)
Fee on gaming platform licenses	(52,778)	(42,436)
Concession Fee	(27,351)	(25,652)
Bank and insurance expenses	(22,573)	(16,435)
Marketing and advertising	(13,674)	(6,263)
Utility costs, postal and logistics costs, security services	(10,643)	(9,763)
Technical assistance and network management	(8,745)	(7,765)
Tax, administrative and legal consultancy costs	(8,502)	(8,114)
Leases and rentals	(5,545)	(4,403)
Data transmission	(4,120)	(3,931)
Pay-TV	(3,191)	(2,756)
Board of Directors remunerations and costs	(1,845)	(1,421)
Other	(15,724)	(10,259)
Total	(556,869)	(483,166)

Cost of services amounted to Euro 556.9 million for the six months ended 30 June 2024 (of which Euro 37.1 million related to SKS365), an increase of Euro 73.7 million compared to Euro 483.2 million for the six months ended 30 June 2023.

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.

“Bank and insurance expenses” mainly refers to the costs incurred for electronic currency instruments provided to players to top up their gaming accounts. The increase was attributable to SKS365 for Euro 1.4 million and the higher commissions on credit card transactions following the increase in transaction volumes.

“Marketing and advertising expenses” increased by Euro 7.4 million (of which Euro 0.8 million related to SKS365) mainly due to costs for events at the gaming halls and other marketing campaigns.

The increase in the “Other expenses” is primarily attributable to costs for betting providers, costs for digital services and anti-money laundering services as well as the contribution of SKS365 Acquisition. For the remaining part, the item includes recurring costs related to employees lunch vouchers and travel reimbursement expenses, costs for temporary staffing services and other passive operations.

8.4. Personnel expenses

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

(in thousands of Euro)	For the six months ended 30 June	
	2024	2023
Remuneration	(48,122)	(35,114)
Social security contributions	(12,967)	(11,188)
Other personnel costs	(3,727)	(2,662)
Total	(64,816)	(48,964)

Personnel expenses amounted to Euro 64.8 million for the six months ended 30 June 2024 (of which Euro 6.6 million related to SKS365), an increase of Euro 15.8 million compared to Euro 49.0 million for the six months ended 30 June 2023.

It should be noted that the item does not include capitalized personnel expenses related to the development of internal software, amounting to Euro 7.7 million for the six months ended 30 June 2024 (Euro 6.0 million for the six months ended 30 June 2023).

The item also includes the charge related to the long-term incentive plan amounting to Euro 0.4 million for the six months ended 30 June 2024.

The following table shows Group employee numbers by category:

	Number as of 30 June 2024	Average number for the six months ended 30 June 2024	Number as of 30 June 2023	Average number for the six months ended 30 June 2023
Executives	61	54	47	46
Middle managers	192	192	168	168
White collar	1,931	1,605	1,264	1,242
Blue collar	333	286	174	178
Total	2,517	2,137	1,653	1,634

8.5. Other operating costs

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

	For the six months ended 30 June	
<i>(in thousands of Euro)</i>	2024	2023
Purchase of goods and other purchases	(6,556)	(6,510)
Taxes and sundry duties	(3,416)	(1,961)
Entertainment expenses	(2,260)	(2,098)
Fines, penalties and losses on receivables	(767)	(349)
Other expenses	(5,139)	(9,085)
Total	(18,138)	(20,003)

The increase of “Taxes and sundry duties” was mainly due to the contribution of the acquired companies.

The decrease of “Other expenses” was mainly due to the write-off of software licenses occurred during the 2023, partially offset by the non-recurring costs for the SKS365 Acquisition amounting to Euro 1.7 million.

8.6. Depreciation, amortization and impairments

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

	For the six months ended 30 June	
<i>(in thousands of Euro)</i>	2024	2023*
Amortization of intangible assets	(76,151)	(57,778)
<i>of which purchase price allocation</i>	<i>(28,475)</i>	<i>(35,300)</i>
Depreciation of property, plant and equipment	(21,230)	(18,914)
Depreciation of investment property	(14)	(13)
Impairments of property, plant and equipment and intangible assets	(311)	-
Depreciation of right of use	(9,921)	(7,763)
Total	(107,627)	(84,468)

*The figures for the six months ended 30 June 2023 have been restated following the completion of the purchase price allocation relating to Betflag S.p.A..

Depreciation, amortization and impairments amounted to Euro 107.6 million for the six months ended 30 June 2024 (of which Euro 3.1 million related to SKS365), an increase of Euro 23.1 million compared to Euro 84.5 million for the six months ended 30 June 2023.

For further details regarding movements in Amortization of intangible assets, Depreciation of property, plant and equipment and Depreciation of right 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”:

<i>(in thousands of Euro)</i>	For the six months ended 30 June	
	2024	2023
Impairment of financial asset	-	(3,319)
(Provision) / release for impairment of receivables and financial assets	(347)	(1,286)
(Provision) / release for risks and charges	(825)	202
Total	(1,172)	(4,403)

Provisions are stated net of releases.

For further details regarding movements in the “Provision for impairment of receivables and financial asset” see Notes 9.6 and 9.11.

8.8. Net finance expenses

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

<i>(in thousands of Euro)</i>	For the six months ended 30 June	
	2024	2023
Other interest income	7,978	23,298
Total finance income	7,978	23,298
Interest expense on May 2024 Notes	(4,115)	-
Interest expense on December 2023 Notes	(10,159)	-
Interest expense on June 2023 Notes	(34,333)	(6,721)
Interest expense on September 2022 Notes	(14,124)	(17,063)
Interest expense on April 2021 Notes	-	(14,734)
Interest expense on July 2020 Notes	-	(17,742)
Amortized cost on May 2024 Notes	(158)	-
Amortized cost on December 2023 Notes	(738)	-
Amortized cost on June 2023 Notes	(16,794)	(410)
Amortized cost on September 2022 Notes	(7,494)	(624)
Amortized cost on April 2021 Notes	-	(8,327)
Amortized cost on July 2020 Notes	-	(4,240)
IRS interest expense	(11,620)	(150)
Commission on sureties	(3,962)	(2,650)
Interest expense on revolving credit facility	(2,645)	(7,564)
Leasing interest expense	(2,086)	(1,574)
Interest expense on Bondco loan	-	(6,947)
Other interest expense	(29,459)	(45,295)
Total finance expenses	(137,687)	(134,041)
Net finance expenses	(129,709)	(110,743)

“Net finance expenses” amounting to Euro 129.7 million (of which Euro 1.2 million related to SKS365) for the six months ended 30 June 2024, include non-recurring finance income of Euro 6.2 million (Euro 22.2 million for the six months ended 30 June 2023) and non-recurring finance expenses of Euro 58.6 million (Euro 62.4 million for the six months ended 30 June 2023), detailed below for the six months ended 30 June 2024. For details on non-recurring finance income and expenses for the six months ended 30 June 2023, please refer to the condensed consolidated interim financial statements as of and for the six months ended 30 June 2023.

“Other interest income” mainly includes interest income on the escrow accounts of Euro 6.2 million.

“Interest expense on December 2023 Notes” and “IRS interest expense” include a total amount of Euro 10.5 million relating to the interest accrued on the December 2023 Notes (Euro 6.3 million) and the charges on the hedging derivative instruments (Euro 4.1 million) for the period before the completion of SKS365 Acquisition, as well as charges on hedging derivatives related to the 2024 Notes Repaid (as defined below) amounting to Euro 0.4 million.

The items “Amortized cost on September 2022 Notes ” and “Amortized cost on June 2023 Notes” include Euro 21.3 million related to the acceleration of the amortized cost calculation on the 2024 Notes Repaid (as defined below), which were fully recognized in the income statement following the related early repayment.

“Other interest expenses” mainly include the make-whole on 2024 Notes Repaid (as defined below) amounting to Euro 26.4 million

“Other interest expenses” also includes the effect of the amortized cost on the deferred portion of the purchase price of Betflag amounting to Euro 0.7 million (Euro 1.5 million for the six months ended 30 June 2023) and on the outstanding put options amounting to Euro 1.3 million for the six months ended 30 June 2024.

8.9. Income tax expense

The following table provides a breakdown of “Income tax expense”:

<i>(in thousands of Euro)</i>	For the six months ended 30 June	
	2024	2023*
Current taxes	(38,816)	(40,941)
Deferred taxes Purchase price allocation	8,196	10,202
Deferred taxes	(3,237)	(3,327)
Total	(33,857)	(34,066)

*The figures for the six months ended 30 June 2023 have been restated following the completion of the purchase price allocation relating to Betflag S.p.A..

The Group has adopted tax consolidation at the level of the Italian parent company (Lottomatica Group S.p.A.) for the three-year period 2022-2024.

Current taxes mainly include:

- IRES tax expenses for Euro 27.0 million;
- IRAP tax expenses for Euro 11.8 million.

Deferred taxes mainly include:

- the release of deferred tax expenses by purchase price allocation for Euro 8.2 million;
- the release of deferred tax income on temporary differences for Euro 3.2 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:

<i>(in thousands of Euro)</i>	Software	Concessions	Trademarks	Assets under development and other intangible	Network Relationship	Total
Cost as of 31 December 2023	155,218	161,462	233,971	62,467	313,930	927,048
Accumulated amortization as of 31 December 2023	(106,019)	(110,839)	(40,260)	(33,130)	(75,479)	(365,727)
Net book amount as of 31 December 2023	49,199	50,623	193,711	29,337	238,451	561,321
Additions	5,311	59	4	20,939	-	26,313
Business combination:						
<i>Kristal Palace</i>	11	-	-	3	-	14
<i>Macao Phygital</i>	-	32	-	503	-	535
<i>SKS365 Acquisition</i>	11,248	1,260	77	-	-	12,585
Amortization for the year	(9,524)	(32,741)	(7,152)	(5,999)	(20,735)	(76,151)
<i>of which purchase price allocation</i>						
<i>Gamenet Group</i>	(624)	-	(2,406)	-	(5,144)	(8,174)
<i>IGT business</i>	-	-	(3,195)	-	(8,852)	(12,047)
<i>Goldbet.News</i>	-	-	-	(64)	-	(64)
<i>Giocaonline</i>	-	-	-	-	(492)	(492)
<i>Marim</i>	-	-	-	-	(195)	(195)
<i>Betflag</i>	-	-	(1,451)	-	(6,052)	(7,503)
Disposal	(58)	(4)	-	(369)	-	(431)
Reclassifications	6,084	-	-	(6,078)	-	6
Cost as of 30 June 2024	199,534	196,373	234,058	73,768	313,930	1,017,663
Accumulated amortization as of 30 June 2024	(137,263)	(177,144)	(47,418)	(35,432)	(96,214)	(493,471)
Net book amount as of 30 June 2024	62,271	19,229	186,640	38,336	217,716	524,192

Additions on "Software" mainly related to the purchase of software licenses required for bets collection and management activities for approximately Euro 2.2 million and for the upgrade of the SAP ERP system for Euro 1.7 million and the purchase of software for Euro 0.9 million.

Additions on "Concessions" mainly related to the cost of VLT licenses acquired by the Group over time as well as cost incurred in relation to the award of public gaming concession rights. Pursuant to Law No. 197 of 29 December 2022, all concessions operate under an extension regime, valid until 31 December 2024. The decrease was entirely attributable to depreciation of the period.

Additions on "Assets under development and other intangible" mainly related to development costs relating to software for Euro 9.2 million, as well as payments made for NOE (Nulla Osta d'Esercizio) and Entry Fees, amounting to Euro 11.2 million. The increase is partially offset by projects completed and reclassified during the period.

9.2. Goodwill

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

<i>(in thousands of Euro)</i>	Total
Balance as of 31 December 2023	1,481,917
Acquisitions	690,652
Balance as of 30 June 2024	2,172,569

The increase in "Goodwill" mainly refers to the goodwill recorded for the SKS365 Acquisition of Euro 682.3 million. For the residual part, the change was attributable to business acquisitions carried out during the period and to price adjustments relating to previous acquisitions, partially offset by the price adjustment for the acquisition of Ricreativo (decrease of Euro 2.0 million).

It should be noted that at the reporting date, the purchase price allocation processes relating to the acquisition of Ricreativo and the SKS365 Acquisition are still ongoing and, therefore, in accordance with IFRS 3, the Group should complete these assessments within 12 months from the acquisition date.

As of 30 June 2024, 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:

<i>(in thousands of Euro)</i>	Gaming Hardware	Other assets	Furniture	Leasehold improvements	Assets under development and payments on account	Total
Cost as of 31 December 2023	105,716	42,020	27,788	51,256	12,677	239,457
Accumulated depreciation as of 31 December 2023	(69,489)	(19,340)	(12,443)	(28,951)		(130,223)
Net book amount as of 31 December 2023	36,227	22,680	15,345	22,305	12,677	109,234
Additions	9,698	9,476	2,840	6,150	1,010	29,174
<i>Business combination</i>						-
<i>Kristal Palace</i>	-	456	43	49	-	548
<i>Dea Bendata</i>	-	7	19	6	-	32
<i>Galletto Fortunato</i>	-	67	-	-	-	67
<i>Macao Phygital</i>	103	2	-	-	75	180
<i>SKS365 Acquisition</i>	-	6,585	3,204	1,350	-	11,139
<i>Business acquisition</i>	1,438	67	23	-	-	1,528
Disposals	(83)	(86)	(135)	(54)	-	(358)
Depreciation for the year	(10,135)	(4,336)	(2,353)	(4,406)	-	(21,230)
Reclassifications	1,118	418	90	216	(1,848)	(6)
Cost as of 30 June 2024	109,639	75,821	36,242	60,253	11,914	293,869
Accumulated depreciation as of 30 June 2024	(71,273)	(40,485)	(17,166)	(34,637)		(163,561)
Net book amount as of 30 June 2024	38,366	35,336	19,076	25,616	11,914	130,308

Additions to “Gaming hardware” mainly related to AWP game cards of Euro 4.3 million and hardware equipment and devices in betting shops of Euro 4.3 million.

Additions to “Other assets” mainly related to the purchase of iCash devices for Euro 2.9 million, to facilities and equipment in the halls amounting to Euro 1.4 million, to the reengineering of network and storage systems of Euro 3.0 million and to the purchase of office equipment and IT security equipment of Euro 1.3 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:

<i>(in thousands of Euro)</i>	Buildings and Offices	Gaming halls	Vehicles	Other	Right of Use
Balance as of 31 December 2023	12,817	50,223	4,504	2,011	69,555
Business Combination					
<i>Kristal Palace</i>	-	1,890	-	-	1,890
<i>Galletto Fortunato</i>	-	475	-	-	475
<i>SKS365 Acquisition</i>	77	3,263	43	-	3,383
Depreciation	(1,913)	(6,521)	(1,140)	(347)	(9,921)
Additions	1,215	6,826	2,067	7	10,115
Disposal	(367)	(2,951)	(9)	(1,456)	(4,783)
Balance as of 30 June 2024	11,829	53,205	5,465	215	70,714

The increase for the period relates to: (i) acquisitions of 2024, (ii) the renewal of certain lease agreements; (iii) the increase in rents due to ISTAT increases which led to the recalculation of the value of the assets; and (iv) new lease contracts.

9.5. Current and non-current financial assets

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

<i>(in thousands of Euro)</i>	As of 30 June 2024	As of 31 December 2023
Cash held by operators	22,941	25,399
Interest rate swap assets	5,057	45
Escrow account	5,048	503,296
Merchant accounts and restricted cash	1,261	230
Other	4,660	2,119
Total	38,967	531,089

“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 7.3 million, Euro 12.1 million and Euro 3.5 million, for Gamenet S.p.A., Lottomatica Videolot Rete S.p.A. and Big Easy S.r.l. as of 30 June 2024, respectively.

“Interest rate swap assets” increase was mainly due to the fair value of the derivative contracts to hedge the risk linked to a potential change in interest rates of the senior secured notes issued on 14 December 2023, for a principal amount of Euro 500 million, bearing interest equal to the sum of the three-month EURIBOR plus spread (“**December 2023 Notes**”).

The decrease in “Escrow account” was mainly attributable to the release of the escrow account related to the proceeds of the December 2023 Notes (as defined below) following the completion of the SKS365 Acquisition.

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

<i>(in thousands of Euro)</i>	As of 30 June 2024	of which current	As of 31 December 2023	of which current
Cash held by operators	22,941	22,941	25,399	25,399
Interest rate swap assets	5,057	37	45	45
Escrow account	5,048	5,000	503,296	503,240
Merchant accounts and restricted cash	1,261	1,261	230	230
Other	4,660	2,179	2,119	1,561
Total	38,967	31,418	531,089	530,475

9.6. Current and non-current trade receivables

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

<i>(in thousands of Euro)</i>	As of 30 June 2024	As of 31 December 2023
Concessionaire’s receivables from operators/TIR	66,691	90,984
Receivables from operators	39,260	26,531
Other receivables from distribution network	8,286	7,241
Receivables from customers	7,648	6,156
Receivables guaranteed by formal commitments	3,178	2,219
Receivables for penalties and interest on delayed payments	430	443
Allowance for doubtful receivables	(39,127)	(36,794)
Total	86,366	96,780

“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 30 June 2024, Euro 29.3 million relates to Gamenet S.p.A and Euro 37.4 million relates to Lottomatica Videolot Rete.

The increase in “Receivables from operators” is mainly attributable to the consolidation of the SKS365 Acquisition for Euro 13.0 million.

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

<i>(in thousands of Euro)</i>	
Balance as of 31 December 2023	36,794
SKS365 Acquisition	2,795
Provisions net of releases	331
Utilization	(793)
Balance as of 30 June 2024	39,127

9.7. Other current and non-current assets

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

<i>(in thousands of Euro)</i>	As of 30 June 2024	As of 31 December 2023
Gaming online accounts	50,307	36,144
Accrued income and prepayments	30,754	16,472
ADM guarantee deposits	26,296	53,465
Guarantee deposits	14,265	4,274
Gaming halls receivables	13,043	15,230
Tax receivables	9,225	4,451
Other receivables	3,746	4,467
Total	147,636	134,503

The increase in “Gaming online accounts” is mainly attributable to the consolidation of the SKS365 Acquisition for Euro 10.9 million.

“Accrued income and prepayments” mainly includes the recognition of prepayment on arrangement fees and underwriting fees related to the Revolving Credit Facility and prepayment for insurance costs and costs related to surety warranties provided for the concession renewals. The increase of Euro 14.3 million was mainly due to the consolidation of the SKS365 Acquisition amounting to Euro 6.6 million and higher deferrals for multi-year insurance costs amounting to approximately Euro 7.0 million.

“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.

The increase of “Tax receivables” was mainly due to the consolidation of the SKS365 Acquisition for Euro 4.6 million.

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

<i>(in thousands of Euro)</i>	As of 30 June 2024	of which current	As of 31 December 2023	of which current
Gaming online accounts	50,307	50,307	36,144	36,144
Accrued income and prepayments	30,754	20,240	16,472	8,207
ADM guarantee deposits	26,296	26,296	53,465	53,465
Guarantee deposits	14,265	555	4,274	686
Gaming halls receivables	13,043	13,043	15,230	15,198
Tax receivables	9,225	8,084	4,451	2,255
Other receivables	3,746	3,352	4,467	4,200
Total	147,636	121,877	134,503	120,155

9.8. Cash and cash equivalents

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

<i>(in thousands of Euro)</i>	As of 30 June 2024	As of 31 December 2023
Bank deposits	101,127	267,550
Cash on hand	28,050	27,132
Total	129,177	294,682

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

9.9. Shareholders' equity

A description of changes in Shareholders' equity as of 30 June 2024 can be found in the Consolidated Statement of Changes in Equity.

9.9.1. Equity attributable to the owners of the parent

The Company's share capital amounted to Euro 10.0 million as of 30 June 2024 and was divided into 251,630,412 ordinary shares without nominal value.

The cash flow hedge reserve is positive, net of its related tax effect, and amounting to Euro 2.8 million (negative for Euro 5.7 million as of 31 December 2023).

The equity attributable to the owners of the parent decreased by Euro 5.3 million mainly as a result of the acquisition of the company shares held by minority shareholders of Billions Italia S.r.l. and New Matic S.r.l.

The Company also distributed dividends of Euro 65.4 million as resolved by the shareholders' meeting on 9 April 2024.

9.9.2. Equity attributable to non-controlling interests

The Equity attributable to non-controlling interests decreased by Euro 1.7 million due to the transactions with minority shareholders described above, more than offset by the positive effect of the result of the period.

9.10. Current and non-current financial liabilities

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

<i>(in thousands of Euro)</i>	As of 30 June 2024	As of 31 December 2023
May 2024 Notes	889,032	-
December 2023 Notes	486,981	486,188
June 2023 Notes	555,121	1,088,327
September 2022 Notes	-	342,506
Accrued interest - May 2024 Notes	4,896	-
Accrued interest – December 2023 Notes	1,769	944
Accrued interest – June 2023 Notes	2,573	6,156
Accrued interest – September 2022 Notes	-	15,641
Payables for leasing	77,234	75,908
Put option liability	50,795	49,518
Payables for acquisitions	46,843	93,868
Bank borrowings	3,498	4,384
Interest rate swap liabilities	2,964	8,937
Other financial payables	373	13,713
Total	2,122,079	2,186,090

The main changes were due to:

- recognition at the amortized cost of the May 2024 Notes (as defined below) for Euro 889.0 million;
- early repayment of September 2022 Notes and June 2023 Floating Rate Notes (as defined below), plus accrued interest;
- “Payables for acquisition” decrease due to the payment of deferred consideration of Betflag acquisition of Euro 50.0 million, partially offset by payables related to the purchase of minority shares of the share capital of Billions Italia S.r.l., amounting to Euro 3.3 million;
- “Interest rate swap liabilities” decrease due to the change in the fair value of derivative contract entered into to hedge the risk associated with potential interest rate fluctuations on the December 2023 Notes, reclassified under financial asset.
- “Other financial liabilities” decrease due to the payment of commitment fees on bridge facility and underwriting fees on December 2023 Notes following the completion of the SKS365 Acquisition.

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:

<i>(in thousands of Euro)</i>	As of 30 June 2024	of which current	As of 31 December 2023	of which current
Notes	1,931,134	-	1,917,021	-
Accrued interest on Notes	9,238	9,238	22,741	22,741
Payables for acquisitions	46,843	45,900	93,868	90,159
Payables for leasing	77,234	19,643	75,908	18,592
Put option liability	50,795	20,266	49,518	16,861
Interest rate swap liabilities	2,964	1,584	8,937	1,398
Bank borrowings	3,498	2,165	4,384	2,329
Other financial payables	373	370	13,713	13,713
Total	2,122,079	99,166	2,186,090	165,793

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

<i>(in thousands of Euro)</i>	As of 31 December 2023	Cash flow from financing activities	Non-cash changes	As of 30 June 2024
Notes	1,917,021	(11,070)	25,183	1,931,134
Accrued interest on Notes	22,741	(76,233)	62,730	9,238
Payables for acquisitions	93,868	(54,146)	7,121	46,843
Payables for leasing	75,908	(12,066)	13,392	77,234
Put option liability	49,518	-	1,277	50,795
Interest rate swap liabilities	8,937	(11,434)	5,461	2,964
Bank borrowings	4,384	(1,254)	368	3,498
Other financial payables	13,713	(13,713)	373	373
Total	2,186,090	(179,916)	115,905	2,122,079

9.10.1. May 2024 Notes

On 29 May 2024, Lottomatica S.p.A. (the “**Issuer**”) issued senior secured notes for a total principal of Euro 900 million (the “**May 2024 Notes**”), 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 400 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 and maturing on 2031. The May 2024 Notes were admitted to listing on the Euro MTF market organized and managed by the Luxembourg Stock Exchange (previously known as ExtraMOT) of Borsa Italia.

Collateral posted as security in relation to the May 2024 Notes included liens on the following: (i) all of the issued share capital of the Issuer held by Lottomatica Group S.p.A., (ii) receivables in respect of

certain material intercompany loans owed to Company by the Issuer; (iii) material bank accounts of the Issuer, (iv) all of the issued share capital of GGM S.p.A. held by the Issuer, and (v) all of the issued share capital of GBO S.p.A. held by the Issuer. Ratings as of the issue date were as follows: BB- (S&P) and Ba3 (Moody's).

Proceeds from the bond issue were used, together with the available cash, to finance (i) the early repayment of the senior secured notes issued on 27 September 2022, for a principal amount of Euro 350 million (the **"September 2022 Notes"**) and the floating rate portion of the senior secured notes issued on 1 June 2023 for a principal amount of Euro 550 million (the **"June 2023 Floating Rate Notes"**) and together with the September 2022 Notes, the **"2024 Notes Repaid"**), in addition to accrued and unpaid interest; and (ii) the make-whole payment due to early repayment.

The May 2024 Notes (or a portion thereof) can be reimbursed in advance, under the conditions described below:

- **with regard to the floating rate share:** i) if reimbursed prior to 1 June 2025, the Issuer is required to repay a total of 100% of the principal amount reimbursed plus the Floating Rate Applicable Premium, plus unpaid interest due; ii) if reimbursed in advance but from 1 June 2025 onwards, the Issuer is required to repay the principal amount reimbursed at par plus the Additional Amount and unpaid interest due;
- **with regard to the fixed rate share:** i) if reimbursed prior to 1 June 2026, the Issuer is required to repay a total of 100% of the principal amount reimbursed plus the Fixed Rate Applicable Premium, plus unpaid interest due; ii) if reimbursed between 1 June 2026 and 31 May 2027, the Issuer is required to repay a total of 102.6875% of the principal amount reimbursed plus the Additional Amounts, plus unpaid interest due; iii) if reimbursed between 1 June 2027 and 31 May 2028, the Issuer is required to repay a total of 101.3437% of the principal amount reimbursed plus the Additional Amount, plus unpaid interest due; and iv) if reimbursed in advance but from 1 June 2028 onwards, the Issuer is required to repay the principal amount reimbursed plus the Additional Amount and unpaid interest due.

9.10.2. Revolving Credit Facility

On 3 May 2023, Lottomatica S.p.A., the lenders party thereto, UniCredit S.p.A., as security agent, inter alia, entered into a revolving credit facility agreement of Euro 350 million in addition to an incremental facility provided by Deutsche Bank S.p.A. of Euro 50 million as a guarantee facility thereunder available for bank guarantees. In addition, with the issuance of the December 2023 Notes and the completion of the SKS365 Acquisition, the revolving credit facility was increased to Euro 400 million (**"Revolving Credit Facility"**).

The spread applicable at the current date in the event of utilizing the Revolving Credit Facility is 3.25%. As of 30 June 2024, the Test Condition related to the Revolving Credit Facility is not met as it was not utilized.

Total Net Financial Indebtedness

The following is a breakdown of the composition of the Group's Net Financial Indebtedness as of 30 June 2024 compared with the situation as of 31 December 2023 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".

<i>(in thousands of Euro)</i>	As of 30 June 2024	As of 31 December 2023
A. Cash	129,177	294,682
B. Cash equivalent	-	-
C. Other current financial assets	31,418	530,475
D. Liquidity (A+B+C)	160,595	825,157
E. Current financial debt	1,997	15,305
F. Current portion of non-current financial debt	97,169	150,488
G. Current Financial Indebtedness (E+F)	99,166	165,793
H. Net Current Financial Indebtedness (G-D)	(61,429)	(659,364)
I. Non-current financial debt	91,779	103,276
J. Debt instruments	1,931,134	1,917,021
K. Non-current trade and other payables	-	-
L. Non-Current Financial Indebtedness (I+J+K)	2,022,913	2,020,297
M. Net Financial Indebtedness - ESMA (H+L)	1,961,484	1,360,933

Derivative instruments and hedge accounting

Lottomatica S.p.A., in order to partially hedge the risk to possible changes in interest rates on (i) the floating rate portion of the May 2024 Notes, which bear variable rate interest linked to the three-month EURIBOR rate plus a spread of 3.250%, and (ii) on the December 2023 Notes, which bear variable rate interest linked to the three-month EURIBOR rate plus a spread of 4.000%, entered into derivative contracts for (i) a total notional amount of Euro 275 million and (ii) a total notional amount of Euro 500 million, respectively. These derivative contracts (which are not listed on any official market) partially hedge Lottomatica S.p.A from the risk linked to a potential increase in interest rates by exchanging:

- with reference to May 2024 Notes, the bond's three-month EURIBOR rate with a contractually determined fixed interest rate of (i) 3.1120% with quarterly settlement, first payment date on 1 September 2024 and termination date 1 June 2027 for the Unicredit S.p.A. derivative contract and (ii) 3.117% with quarterly settlement, first payment date on 1 September 2024 and termination date 1 June 2027 for the Deutsche Bank derivative contract; and
- with reference to December 2023 Notes (as defined below), the bond's three-month EURIBOR rate with a contractually determined fixed interest rate of (i) 2.627% with quarterly settlement, first payment date on 1 March 2024 and termination date 1 December 2026 for the Unicredit S.p.A. derivative contract and (ii) 2.59% with quarterly settlement, first payment date on 1 March 2024 and termination date 1 June 2026 for the Deutsche Bank AG derivative contract.

The transaction qualifies as a cash flow hedge as it meets the hedge effectiveness requirements set out by IFRS 9.

9.11. Provisions for risks and charges

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

<i>(in thousands of Euro)</i>	Total
Balance as of 31 December 2023	4,891
Business combination	40
Provisions/ (Releases)	826
Utilization	(6)
Other movements	(62)
Balance as of 30 June 2024	5,689

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 1.6 million as of 30 June 2024); (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 30 June 2024); and for the residual part (iii) the provision for legal disputes, to cover estimated costs relating to disputes, including labor-related disputes, with third parties (Euro 3.1 million as of 30 June 2024).

9.12. Other current and non-current liabilities

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

<i>(in thousands of Euro)</i>	As of 30 June 2024	As of 31 December 2023
Public gaming taxes	145,327	31,377
Other payables to tax authorities	87,573	18,996
Payables to tax authorities for PREU	51,114	97,377
Players' online accounts	50,307	36,144
Payables to employees	18,592	18,762
Payables to distribution network for guarantees	14,919	16,251
Concession fee payables	13,557	15,248
Provision for Jackpot and VLT tickets to be validated	11,579	11,649
Payables to INPS	8,582	8,542
Payables to other concessionaires for bets/wagers collection	5,678	7,204
Other payables	24,458	64,351
Total	431,686	325,901

“Public gaming taxes” as of 30 June 2024 included the gaming tax balance owing as of 30 June 2024, for which the payable for the period from January to April 2024 will be paid on 31 August 2024, and for which the payable for the period from May to August 2024 will be paid on 30 November 2024. The amount due as of 31 December 2023, on the other hand, related to the gaming tax balance owing in respect of the single month of December, which was paid on 31 January 2024. In 2024, the item was affected by the consolidation of the SKS365 Acquisition for Euro 36.8 million.

The increase of “Other payables to tax authorities” was mainly due to the consolidation of the SKS365 Acquisition for Euro 67.9 million, of which Euro 62.0 million relates to payments due to tax authorities following the application for facilitated adhesion to the pending dispute filed in 2023 on tax notices related to betting duties.

“Payables to tax authorities for PREU” as of 30 June 2024 included the balance relating to the third period 2024 (May-June), to be paid in July 2024. It should be noted that the amount as of 31 December 2023, on the other hand, included the balance relating to sixth period of 2023, which was paid in January 2024.

The increase of “Players' online accounts” was mainly due to the consolidation of the SKS365 Acquisition for Euro 10.9 million.

“Concession fee payables” mainly related to the concession-fee owing in respect of the third period of 2024 (May-June), due to be paid in July 2024 relating to the concession-fee owing. It should be noted that the amount as of 31 December 2023, on the other hand, included the balance relating to the concession-fee owing in respect of the sixth period of 2023, which was paid in January 2024.

“Other payables” mainly included Euro 47.7 million as of 31 December 2023 related to the payables for the extension of Sport Franchise, GAD, and ADI concessions which were fully paid in the first half of 2024.

It also includes payables relating to sports bets, amounting to Euro 8.7 million as of 30 June 2024 and Euro 5.6 million as of 31 December 2023. At the same date, the item also included payables related to casino games, poker and bingo related jackpots amounting to Euro 2.7 million and betting concession fee payables of Euro 5.5 million.

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

<i>(in thousands of Euro)</i>	As of 30 June 2024	of which current	As of 31 December 2023	of which current
Public gaming taxes	145,327	145,327	31,377	31,377
Other payables to tax authorities	87,573	39,927	18,996	17,621
Payables to tax authorities for PREU	51,114	51,114	97,377	97,377
Players' online accounts	50,307	50,307	36,144	36,144
Payables to employees	18,592	18,592	18,762	18,602
Payables to distribution network for guarantees	14,919	297	16,251	360
Concession fee payables	13,557	13,557	15,248	15,248
Provision for Jackpot and VLT tickets to be validated	11,579	11,579	11,649	11,649
Payables to INPS	8,582	8,582	8,542	8,542
Payables to other concessionaires for bets/wagers collection	5,678	5,678	7,204	7,204
Other payables	24,458	24,189	64,351	64,101
Total	431,686	369,149	325,901	308,225

9.13. Current and non-current trade payables

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

<i>(in thousands of Euro)</i>	As of 30 June 2024	As of 31 December 2023
Invoices to be received	52,200	48,749
Trade payables	32,020	25,709
Payables to operators	28,682	16,049
Payables relating to remuneration in respect of collection activities - VLT	2,381	3,548
Payables relating to remuneration in respect of collection activities – AWP	1,866	1,856
Total	117,149	95,911

This item was mainly affected by the consolidation of the SKS365 Acquisition amounting to Euro 27.9 million.

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:

- Gamma Bondco S.à.r.l., a wholly owned subsidiary of the Gamma Topco S.à.r.l.¹³ (“**Subsidiaries of shareholders**”);
- iPro Inc. and IMA S.r.l. (“**Associates**”);
- Key Management Personnel (for further details, please refer to the paragraph below);
- Apollo Capital Solutions Europe B.V. (“**Other related parties**”).

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

As of 30 June 2024					
(in thousands of Euro)	Associates	Key management personnel	Total related parties	Total reported amount	Related party % of total
Current trade payables	57		57	117.149	0,0%
Current trade receivables	2		2	85.376	0,0%
Other current liabilities		1.332	1.332	369.149	0,4%

As of 31 December 2023						
(in thousands of Euro)	Associates	Key management personnel	Other related parties	Total related parties	Total reported amount	Related party % of total
Current financial liabilities	-	-	560	560	165,793	0.3%
Current trade payables	214	-	-	214	95,911	0.2%
Current trade receivables	3	-	-	3	95,825	0.0%
Other current liabilities	-	2,379	-	2,379	308,225	0.8%

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

For the six months ended 30 June 2024					
(in thousands of Euro)	Associates	Key management personnel	Total related parties	Total reported amount	% of total
Personnel expenses	-	(4,043)	(4,043)	(64,816)	6.2%
Other income	7	-	7	6,929	0.1%
Other operating costs	(51)	-	(51)	(18,138)	0.3%

¹³ On 1 June 2023, Gamma Topco S.à.r.l. completed the contribution in kind of its equity investment in Lottomatica Group S.p.A. to Gamma Intermediate S.à.r.l.

For the six months ended 30 June 2023						
(in thousands of Euro)	Subsidiaries of shareholders	Associates	Key management personnel	Total related parties	Total reported amount	% of total
Finance expenses	(23,420)	-	-	(23,420)	(134,041)	17.5%
Personnel expenses	-	-	(2,352)	(2,352)	(48,964)	4.8%
Other income	-	6	-	6	5,942	0.1%
Other operating costs	-	(324)	-	(324)	(20,003)	1.6%

The transaction involving Gamma Bondco S.à.r.l., controlled by the shareholder Gamma Topco S.à.r.l.¹⁰, was related to the loan granted to the Company on 10 November 2021 (“**Bondco Loan**”), repaid on 3 May 2023.

With regard to the transactions with Apollo Capital Solutions Europe B.V., it should also be noted underwriting fees of Euro 675 thousand included in the ancillary costs incurred for the issue of the May 2024 Notes.

Key management personnel

The following table provides a breakdown of the remuneration attributable to Group’s key management personnel for the six months ended 30 June 2024 and 2023.

(in thousands of Euro)	For the six months ended 30 June	
	2024	2023
Remuneration	2,142	1,923
Bonus una tantum	1,482	2
Social security contributions	149	287
Severance indemnity	270	140
Total	4,043	2,352

11. Other information

11.1. Commitments and risks

11.1.1. Guarantees granted in favor of third parties

It is noted that as of 30 June 2024, the Group had granted concession related guarantees in favor of the ADM amounting to Euro 373.4 million. For details regarding guarantees relating to the notes, please refer to Annual Consolidated Financial Statements and at the Note 9.10 of this document.

11.1.2. Contingent liabilities

Other than as reported at Note 11.2 below, management is not aware of any disputes or legal actions 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:

<i>(in millions of Euro)</i>	For the six months ended 30 June 2024	Profit before tax	Financial Position
SKS365 Acquisition			
Transaction costs related to SKS365 Acquisition	(1.7)	✓	
Negative carry (including net income from IRS)	(4.2)	✓	
Total	(5.9)	(5.9)	-
Refinancing 2024			
Underwriting fees and consultants / advisors	(11.1)		✓
Make-whole on 2024 Notes Repaid	(26.4)	✓	
Acceleration of the unamortized costs and net charge IRS on 2024 Notes Repaid	(21.7)	✓	
Total	(59.2)	(48.1)	(11.1)
Costs not included in Adjusted EBITDA			
Cost related to M&A and international activities	(4.7)	✓	
Integration costs	(6.0)	✓	
Other non-recurring expense	(8.9)	✓	
Total	(19.6)	(19.6)	-
Total	(84.7)	(73.6)	(11.1)

<i>(in millions of Euro)</i>	For the six months ended 30 June 2023	Profit before tax	Financial Position
IPO costs			
Underwriting fees and advisors	(27.0)		✓
Prepayment penalty on Bondco Loan	(16.5)	✓	
Bridge Facility	(13.8)	✓	
Arrangement fees on Revolving Credit Facility (over 5 years)	(0.1)	✓	
Total	(57.4)	(30.4)	(27.0)
Refinancing costs 2023			
Underwriting fees and advisors	(23.8)		✓
Bond issue discount	(5.5)		✓
Make-whole on bonds repaid in 2023 net of income from IRS closing	7.2	✓	
Acceleration of the amortized cost on bond repaid in 2023	(10.8)	✓	
Negative carry	(1.9)	✓	
Total	(34.8)	(5.5)	(29.3)
Other non-recurring finance expenses			
Fees on previous revolving credit facility	(4.5)	✓	
Total	(4.5)	(4.5)	-
Costs not included in Adjusted EBITDA			
Cost related to M&A, international activities and IPO	(6.8)	✓	
Integration costs	(10.0)	✓	
Other non-recurring expense	(12.5)	✓	
Total	(29.3)	(29.3)	
Total	(126.0)	(69.7)	(56.3)

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 six months of 2024, 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 1.6 million for the six months ended 30 June 2024.

11.2. Significant events for the period

11.2.1. FIGC court order

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

11.2.2. Vat reimbursement

For details over the tax dispute, see the Annual Consolidated Financial Statements. Subsequent developments are as described below.

On 23 February 2024, Gamenet S.p.A. filed in appeal before the Second-level Tax Commission of Lazio Region.

11.2.3. SKS365 litigation

SKS365's Austrian branch is involved in a tax dispute regarding a tax deduction of Euro 23 million claimed in 2014 by SKS365 Group GmbH (now SKS365) with a tax effect of Euro 5.8 million in connection with unpaid Italian betting duties relating to fiscal years 2010-2014. These assessments were appealed by the company before the Austrian tax court. In addition, clarifications have been requested regarding the maintenance of a permanent establishment in Austria after the merger of SKS Group GmbH (then named Mistral Leisure Limited) with SKS Malta Limited in 2014, which could result in the applicability of an exit tax. The Austrian tax court is yet to make a ruling on these matters.

11.2.4. Additional 0.5% of bets - Relaunch Decree

There are no subsequent developments compared to the disclosures contained in the Annual Consolidated Financial Statements. In the absence of notification, the time-limit for appealing the judgment would expire on 27 September 2024.

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 as described below.

Gaming franchise

Regarding the Morosini litigation, Lottomatica Videolot Rete S.p.A. and Jolly Group S.r.l. duly appeared in court on 27 March 2024. The first hearing is scheduled for 10 September 2024.

Sports franchise and Online

Regarding the litigation initiated by a consultant and a service company against GBO Italy S.p.A, it is noted that after the appearance in court of the company and the submission of documents pursuant to Article 183 of the Italian Civil Procedure Code, the judge deemed the case ready for decision without the need to take the evidence requested by the plaintiffs and adjourned the case to 27 May 2026, for the submission of conclusions.

11.2.6. Legislative and regulatory provisions introduced in 2024

Reference is made to the Annual Consolidated Financial Statements for details regarding regulatory provisions introduced by the government and the ADM in 2023. Provisions introduced during 2024 are as follows.

Betting and GAD – Betting rights held by the group

In addition to the Annual Consolidated Financial Statements, the Group also owns the following rights as a result of the SKS365 Acquisition:

Concession no.	Company	Announcement	Betting offering	Number of rights 2024
4584	SKS365 Malta Limited	Monti	Sport + Horse racing	1
72002	SKS365 Malta Limited	Tax regularization pursuant to art. 1 co. 643 L. 190/2014	Sport + Horse racing	1,002

Implementation of the reorganization of remote gaming

In the Official Gazette No. 78 of 3 April 2024, Legislative Decree No.41 of 25 March 2024, entitled "Provisions on the reorganization of the gaming sector, starting with remote gaming", pursuant to art. 15 of Law No. 111 of 9 August 2023 ("Delegated Law"). Until now, the discipline relating to games on physical network is excluded: these provisions will be "contained in a subsequent legislative decree issued after the definition of a specific framework between the State, Regions and local authorities" (art. 1, paragraph 2).

Firstly, the decree defines the principles of the game also with reference to European legislation. The base of the legislative decree is the concessionary regime for remote gaming (Title II). The principles (Articles 3 and 4) include:

- the protection of minors and the legality of the game, the development of secure gaming (with regard to health, public order and safety), the promotion of responsible gaming;
- the fight against illegal gambling and forms of money laundering, the transparency of the gaming offer and the development of the sector according to models of economic solidity and efficiency of the subjects, the traceability of money flows (refer to art. 7);
- the unity and uniformity of the organization and management of the network offering public gaming throughout the national territory;
- respect for the principle of free competition in the European common market, the principle of non-discrimination and the freedoms established by the Treaties of the European Union;
- compliance with the principle of stability of the rules of the concession and the protection of the concessionaire's custody (also of European origin).

Article 23, paragraph 3, of the decree includes the publication by ADM of a tender for the award of concessions related to the collection of remote gaming expiring 31 December 2024, referred to in letters from a) to f) of Article 6, paragraph 1. Among the requirements and conditions indicated, it should be noted (i) the payment of a one-off fee, amounting to Euro 7 million for each concession requested, with the maximum number of five concessions that may be requested by each group of companies (art. 6, paragraph 5); (ii) payment of an annual concession fee of 3% of the net margin of the concessionaire, due from the date of signature of the concession agreement, calculated by subtracting from the amount

of the betting collection to the amount of winnings paid and related taxes and levy fees or the concessionaire's fee for concession games not subject to a tax levy calculated as the difference between bets and winnings, paid in two equal installments by 16 January and 16 July of each concession year (art. 6, paragraph 6).

With reference to the consideration of Euro 7 million for each concession requested, which is a significant increase compared to the last GAD tender notice (published in the Official Journal of the European Community of 10 January 2018 pursuant to Law No. 208/2015) (one-off fee of Euro 200,000.00), it should be noted that, as is stated in the Technical Report accompanying the draft of online game reorganization, *"the one-off fee has almost tripled in line with the trend in online bet, which increased by 100% between 2019 and 2022 and which shows an estimated further growth of 30% by the end of 2023 compared to 2019, from bets of Euro 36.4 billion in 2019 to an estimated bets of about Euro 83.5 billion in 2023, with a further expected growth for the years to follow"*.

11.2.7. ESG rating

On 23 May 2024, the Group has received an ESG rating of 9.5 out of 100 from Morningstar Sustainalytics. Such rating measures a company's exposure to relevant industry-specific material ESG risks and how the company manages those risks.

In 2024, the Group also obtained the renewals of ISO 37001 and ISO 14001 certifications respectively on Anti-bribery and Environmental management systems, and the ISO 27701 Certification for Data privacy and Security management system. In addition, the Group won the "Best Team HR" award in May 2024 for the second year in a row and the QAR certification in Internal Audit and UNI/PDR 125:2022 in HR were renewed in June 2024.

In January 2024, Sustainalytics confirmed the ESG Regional Top Rated Badge for Europe and the ESG Industry Top Rated Badge for Consumer Services received in January 2023. In addition, the Group was assessed to have a negligible risk of experiencing significant financial impacts from ESG factors, placing it, as of today, second globally among 86 companies assessed in the "Casino and Gaming" subsector and sixth among 514 companies in the "Consumer services" sector.

With reference to ESG targets for 2024, the Group identified approximately 138 initiatives of which (i) 20% have been completed (ii) 62% are ongoing (iii) 18% have not been started yet.

11.2.8. Purchase of minority shares Billions Italia S.r.l.

On 26 January 2024, Gamenet S.p.A. finalized the agreement to acquire the remaining 30% of share capital of Billions Italia S.r.l. for Euro 6.5 million, owned by Dgplay S.r.l.. Out of this amount, Euro 3.3 million was paid upon signing the contract, and the remaining portion will be paid in 12 monthly installments starting from June 2024.

11.2.9. Acquisition of SKS365 Malta Holdings Limited

On 24 April 2024, GBO S.p.A. finalized the acquisition of the entire share capital of SKS365 Malta Holdings Limited, an omnichannel operator in the Italian online and sports betting market, with approximately 600 thousand registered online users, highly recognized brands ("Planetwin365" and "PlanetPay365") and a retail network of about 1,000 sports betting shops.

The consideration for the acquisition was Euro 621.5 million, including leakages and ticking fees, contractually determined. The transaction was financed through a combination of available cash and the proceeds from the issuance of the December 2023 Notes.

11.2.10. Bond issued on 29 May 2024

As described in Note 9.10.1, on 29 May 2024, Lottomatica S.p.A. issued the May 2024 Notes for a total principal amount of Euro 900 million.

Net proceeds were used, together with the available cash, to fund (i) the early repayment of the September 2022 Notes and the 2023 June Floating Rate Notes, in addition to accrued and unpaid interest; and (ii) the payment of make-whole related to their early repayment of Euro 26.4 million.

With reference to the May 2024 Notes, it should be noted that ancillary expenses for the issuance amounted to Euro 11.1 million and was mainly attributable to professional expenses.

It should be noted that the refinancing also involved the acceleration of the amortized cost on ancillary costs relating to the 2024 Notes Repaid of Euro 21.3 million, which were fully recognized following the early repayment.

11.2.11. Merger of The Box S.r.l. and Slottery S.r.l. into Big Easy S.r.l.

On 24 April 2024, the shareholders' meetings of the companies involved approved the plan for the merger by incorporation of Slottery S.r.l. and The Box S.r.l. into Big Easy S.r.l., pursuant to Article 2501-ter of the Italian Civil Code. The aforementioned merger is part of a project to reorganize and simplify the Group's organizational and corporate structure, with the aim of facilitating corporate governance and coordination activities, as well as achieving cost savings and improved operational efficiency. The merger became effective on 1 June 2024 with accounting and tax effects backdated to 1 January 2024.

11.2.12. Acquisition of minority share of New Matic S.r.l. and merger into Jolly Group S.r.l.

On 13 May 2024, Gamenet S.p.A., that already owned 51% of the share capital of New Matic S.r.l., acquired the remaining 49%, becoming the owner of the entire share capital of the company. The consideration for the acquisition of the minority shares amounted to Euro 0.4 million, fully paid.

On 22 May 2024, Gamenet S.p.A., sold its entire investment in the share capital of New Matic S.r.l. to Jolly Group S.r.l. for Euro 1.0 million. Subsequently, on 7 June 2024, the boards of directors of New

Matic S.r.l. and Jolly Group S.r.l. approved the plan for the merger by incorporation of the former into the latter, prepared in accordance with Article 2501-ter and 2505 of the Italian Civil Code. The merger will take legal effect from the first day of the month following the last of the registrations required by Article 2504 of the Italian Civil Code, with accounting and tax effects backdated to 1 January 2024.

11.2.13. Approval of the plan for the merger of Lottomatica S.p.A. into Lottomatica Group S.p.A.

On 18 June 2024, the board of directors of the companies involved approved the plan for the direct merger by incorporation of Lottomatica S.p.A. into Lottomatica Group S.p.A., pursuant to Articles 2501-ter and 2505 of the Italian Civil Code. The aforementioned merger serves a variety of purposes, such as, inter alia, the optimization of cash flow management within the group headed by the Company, the integration of the control structures of the companies involved in the merger, the simplification of the shareholding structure with a consequent increase in decision-making efficiency and management streamlining, as well as the reduction of operating costs, accounting and administrative requirements.

If all of the registrations required by Article 2504 of the Italian Civil Code take place by 31 October 2024, the legal effective date of the merger will be on 1 November 2024; if the last of the aforementioned registrations takes place after 1 November 2024 (inclusive), the legal effective date will coincide with the date on which the merger takes place. The accounting and tax effects of the merger will be the first day of the year in which the merger shall become legally effective.

As of the effective date of the merger, the Company shall take over, by full right and without interruption, all the active and passive legal relationships pertaining to Lottomatica S.p.A. (including the outstanding notes and the revolving credit facility agreement).

11.3. Significant events occurring after the reporting period

11.3.1. Acquisition of Rete Gioco Italia S.r.l. and Bakoo S.p.A.

In July, the Group finalized the acquisition of Rete Gioco Italia S.r.l. and Bakoo S.p.A., which operate in the Gaming Franchise segment. The expected price for these acquisitions is approximately Euro 19 million in total.

Rome, 29 July 2024

Chief Executive Officer
Guglielmo Angelozzi



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

1. The undersigned Guglielmo Angelozzi, Chief Executive Officer of Lottomatica Group S.p.A., and Laurence Van Lancker, as executive officer responsible for the preparation of Lottomatica Group's financial statements, hereby certify, also taking into account the provisions of art. 154-bis, paragraphs 3 and 4, of Legislative Decree no. 58 of 24 February 1998:

- the adequacy in relation to the company's structure (also taking into account any changes that may have occurred during the first half of 2024); and
- the effective application of the administrative and accounting procedures for the preparation of the condensed consolidated interim financial statements as of and for the six months ended 30 June 2024.

2. No significant aspects arose from applying the administrative and accounting procedures for the preparation of the condensed consolidated interim financial statements as of and for the six months ended 30 June 2024.

3. We also certified that:

- the condensed consolidated interim financial statements as of and for the six months ended 30 June 2024:
 - have been prepared in accordance with the applicable International Accounting Standards as endorsed by the European Union pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and Council, dated 19 July 2002, and in particular IAS 34 – Interim Financial Reporting;
 - are consistent with the information contained in the accounting ledgers and records;
 - are suitable for providing a true and fair representation of the equity, financial and economic position of the issuer and the whole of companies included in the scope of consolidation.
- The interim management report includes a reliable analysis of the significant events occurred during the first six months of the year and of their impact on the condensed consolidated interim financial statements as of and for the six months ended 30 June 2024, together with a description of the main risks and uncertainties for the remaining six months of the year. The interim management report also includes a reliable analysis of the information on significant transactions with related parties.

Rome, 29 July 2024

Chief Executive Officer

Guglielmo Angelozzi



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 30 June 2024	As of 31 December 2024
PARENT COMPANY:								
Lottomatica Group S.p.A.	Rome	€10,000,000	-	-	-	-	X	X
SUBSIDIARIES:								
Lottomatica S.p.A.	Rome	€32,300,625	100.0%	Lottomatica Group S.p.A.	100.0%	Line-by-line	X	X
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
New Matic S.r.l.	Rome	€100,000	100.0%	Jolly Group S.r.l.	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	93% - 7%	Lottomatica Videolot Rete S.p.A. - Gamenet S.p.A.	96.5%	Line-by-line	X	X
GGM S.p.A.	Rome	€27,238,695	96.5%	Lottomatica S.p.A.	96.5%	Line-by-line	X	X
GBO S.p.A.	Rome	€300,000	100.0%	Lottomatica 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.	Delaware (USA)	USD 264,854	100.0%	GBO S.p.A.	100.0%	Line-by-line	X	X
The Box S.r.l. *	Rome	€5,277,680	100.0%	Jolly Group S.r.l.	96.5%	Line-by-line	-	X
Slottery S.r.l. *	Rome	€90,000	100.0%	Jolly Group S.r.l.	96.5%	Line-by-line	-	X
Lottomatica UK Ltd.	London (UK)	£ 1,000	100.0%	Lottomatica S.p.A.	100.0%	Line-by-line	X	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	€500,000	100.0%	GGM S.p.A.	96.5%	Line-by-line	X	X
Tecno-Mar S.r.l.	Moncalieri (TO)	€1,000	70.0%	Marim S.r.l.	67.5%	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
AB Games S.r.l.	Rome	€10,000	100.0%	Big Easy S.r.l.	96.5%	Line-by-line	X	X
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
Bingo Service S.r.l.	Nogara	€110,000	100.0%	Big Easy S.r.l.	96.5%	Line-by-line	X	X
Iris S.r.l.	Terni	€103,000	100.0%	Big Easy S.r.l.	96.5%	Line-by-line	X	X
Kristal Palace S.r.l. **	Mazzano (BS)	€50,000	100.0%	Big Easy S.r.l.	100.0%	Line-by-line	X	-
SKS365 Malta Holding Limited ***	St. Julian's (MT)	€10,000	100.0%	GBO S.p.A.	100.0%	Line-by-line	X	-
SKS365 Malta Limited ***	St. Julian's (MT)	€10,000,000	100.0%	SKS365 Malta Holding Limited	100.0%	Line-by-line	X	-
SKS Services doo ***	Belgrade (SRB)	RSD 1,185,000	100.0%	SKS365 Malta Holding Limited	100.0%	Line-by-line	X	-
SKS365 SRB doo ***	Belgrade (SRB)	RSD 0	100.0%	SKS365 Malta Limited	100.0%	Line-by-line	X	-
Planet Entertainment S.r.l. ***	Rome	€10,000	100.0%	SKS365 Malta Limited	100.0%	Line-by-line	X	-

Il Galletto Fortunato S.r.l. ***	Rome	€51,000	100.0%	Big Easy S.r.l.	96.5%	Line-by-line	X	-
Totosi Servizi S.r.l. *****	Rome	€100,000	100.0%	GBO S.p.A.	100.0%	Line-by-line	X	-
Macao Phygital S.r.l.*****	Rome	€10,000	100.0%	GBO S.p.A.	100.0%	Line-by-line	X	-
Dea Bendata S.r.l. *****	Novellara (RE)	€10,000	100.0%	Big Easy S.r.l.	96.5%	Line-by-line	X	-

ASSOCIATES:

Thinkabout S.r.l. *****	Milan	€85,783	24.0%	Gamenet S.p.A.	24.9%	Equity	-	X
iPRO Inc.	Nevada (USA)	USD 8,000,000	19.7%	Gamenet PRO S.r.l.	19.7%	Equity	X	X
IMA S.r.l.	Rome	€101,000	49.0%	Marim S.r.l.	47.3%	Equity	X	X

* Companies merged into Big Easy S.r.l. as of 24 April 2024.

** On 31 January 2024, Big Easy S.r.l. finalized the acquisition of the entire share capital of Kristal Palace S.r.l., a company operating in the management of Bingo halls as well AWP and VLT devices within them.

*** On 24 April 2024, GBO S.p.A. finalized the acquisition of 100% of the share capital of SKS365 Malta Holdings Limited and its subsidiaries.

**** On 6 June 2024, Big Easy S.r.l. finalized the acquisition of the entire share capital of Galletto Fortunato S.r.l., dealer operating in the management of Bingo halls as well as AWP and VLT devices within them.

***** Company incorporated on 28 May 2024.

***** On 31 May 2024, GBO S.p.A. finalized the acquisition of the entire share capital of Macao Phygital S.r.l. a dealer operating in the online betting activities.

***** On 15 May 2024, Big Easy S.r.l. finalized the acquisition of the entire share capital of Dea Bendata S.r.l., a company operating in Gaming Franchise sector.

***** The company entered into liquidation in February 2023. The final liquidation financial statements as of 27 December 2023 were approved on 13 February 2024.



**REVIEW REPORT ON CONSOLIDATED CONDENSED INTERIM
FINANCIAL STATEMENTS**

LOTTOMATICA GROUP SPA

**CONSOLIDATED CONDENSED INTERIM FINANCIAL
STATEMENTS AS OF 30 JUNE 2024**



REVIEW REPORT ON CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

To the shareholders of
Lottomatica Group SpA

Foreword

We have reviewed the accompanying consolidated condensed interim financial statements of Lottomatica Group SpA and its subsidiaries (the Lottomatica Group) as of 30 June 2024, comprising the consolidated statement of financial position, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cashflows and related notes. The directors of Lottomatica Group are responsible for the preparation of the consolidated condensed interim financial statements in accordance with the international accounting standard applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these consolidated condensed interim financial statements based on our review.

Scope of Review

We conducted our work in accordance with the criteria for a review recommended by Consob in Resolution No. 10867 of 31 July 1997. A review of consolidated condensed interim financial statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than a full-scope audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the consolidated condensed interim financial statements.

PricewaterhouseCoopers SpA

Sede legale: **Milano** 20145 Piazza Tre Torri 2 Tel. 02 77851 Fax 02 7785240 Capitale Sociale Euro 6.890.000,00 i.v. C.F. e P.IVA e Reg. Imprese Milano Monza Brianza Lodi 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: **Ancona** 60131 Via Sandro Totti 1 Tel. 071 2132311 - **Bari** 70122 Via Abate Gimma 72 Tel. 080 5640211 - **Bergamo** 24121 Largo Belotti 5 Tel. 035 229691 - **Bologna** 40124 Via Luigi Carlo Farini 12 Tel. 051 6186211 - **Brescia** 25121 Viale Duca d'Aosta 28 Tel. 030 3697501 - **Catania** 95129 Corso Italia 302 Tel. 095 7532311 - **Firenze** 50121 Viale Gramsci 15 Tel. 055 2482811 - **Genova** 16121 Piazza Piccapietra 9 Tel. 010 29041 - **Napoli** 80121 Via dei Mille 16 Tel. 081 36181 - **Padova** 35138 Via Vicenza 4 Tel. 049 873481 - **Palermo** 90141 Via Marchese Ugo 60 Tel. 091 349737 - **Parma** 43121 Viale Tanara 20/A Tel. 0521 275911 - **Pescara** 65127 Piazza Ettore Troilo 8 Tel. 085 4545711 - **Roma** 00154 Largo Fochetti 29 Tel. 06 570251 - **Torino** 10122 Corso Palestro 10 Tel. 011 556771 - **Trento** 38122 Viale della Costituzione 33 Tel. 0461 237004 - **Treviso** 31100 Viale Felissent 90 Tel. 0422 696911 - **Trieste** 34125 Via Cesare Battisti 18 Tel. 040 3480781 - **Udine** 33100 Via Poscolle 43 Tel. 0432 25789 - **Varese** 21100 Via Albuzzi 43 Tel. 0332 285039 - **Verona** 37135 Via Francia 21/C Tel. 045 8263001 - **Vicenza** 36100 Piazza Pontelandolfo 9 Tel. 0444 393311



Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the consolidated condensed interim financial statements of Lottomatica Group as of 30 June 2024 are not prepared, in all material respects, in accordance with the international accounting standard applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Rome, 1 August 2024

PricewaterhouseCoopers SpA

Signed by

Pierpaolo Mosca
(Partner)

This report has been translated into English from the Italian original solely for the convenience of international readers