



# **LOTTOMATICA GROUP S.p.A.**

## **Report on corporate governance and ownership structures 2023**

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## Foreword

This Report, approved by the Board of Directors of Lottomatica Group S.p.A. (hereinafter also the “**Company**”, “**Lottomatica**” or the “**Issuer**”) on February, 28 2024, provides a general and comprehensive overview of the corporate governance system adopted by the Company.

Pursuant to the applicable legal<sup>1</sup> and regulatory obligations, which reflect the guidelines and recommendations of Borsa Italiana S.p.A. (“**Borsa Italiana**”).

This Report describes Lottomatica’s ownership structure and compliance with the Corporate Governance Code (2020)<sup>2</sup> (the “**Corporate Governance Code**” or the “**Code**”), explaining the decisions underlying the adoption of the principles of corporate governance, including the implementing provisions, and the improvement measures, approved by the Board of Directors, and the corporate governance practices effectively applied.

Finally, for additional information about remuneration, including on a *comply or explain* basis, with respect to the principles of corporate governance the Company complies with, reference should be made to the Report on the Remuneration Policy and Remuneration Paid, published at the same time as this Report.

The information provided in this Report covers 2023. With respect to specific topics, it was updated on the date the Board of Directors was called in a meeting to approve it.

This Report is published in the “Governance” section of the Company's website [www.lottomaticagroup.com](http://www.lottomaticagroup.com).

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<sup>1</sup> Article 123-bis of Legislative decree no. 58/1998 (“Consolidated Finance Act”).

<sup>2</sup> The Corporate Governance Code was approved by the Italian Corporate Governance Committee promoted by issuers’ associations (ABI, ANIA, Assonime, Confindustria), investors’ associations (Assogestioni) and the Italian Stock Exchange (Borsa Italiana S.p.A.) on 31 January 2020. Borsa Italiana website provides additional information on the editions of the Code and the composition of the Committee.

## Glossary

"**Chief Executive Officer**" or "**CEO**": the Director entrusted by the Board to act as the Chief Executive Officer of the Issuer. At the date of this Report, the CEO was Mr. Guglielmo Angelozzi.

"**Meeting**": the Issuer's Shareholders' Meeting.

"**Borsa Italiana**": Borsa Italiana S.p.A.

"**Corporate Governance Code**" or the "**CG Code**": the Corporate Governance Code of listed companies approved in January 2020 by the Italian Corporate Governance Committee and promoted by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime and Confindustria, available at [www.borsaitaliana.it](http://www.borsaitaliana.it).

"**Italian Civil Code**": the Italian Civil Code.

"**Board**" or the "**Board of Directors**": the Issuer's Board of Directors.

"**Board of Statutory Auditors**": the Issuer's Board of Statutory Auditors.

"**CR Committee**": the Issuer's Control and Risk Committee.

"**ESG Committee**": the Issuer's Environmental Social Governance Committee.

"**RP Committee**": the Issuer's Related Parties Committee.

"**AR Committee**": the Issuer's Appointments and Remuneration Committee.

"**Trading Start Date**": the first date of trading of Company's ordinary shares on Euronext Milan, i.e. May 3<sup>rd</sup>, 2023.

"**Report Date**": the date of approval of this Report by the Board of Directors of Lottomatica Group S.p.A., i.e. February 28, 2024.

"**Manager in Charge of Financial Reporting**": the manager in charge of the preparation of the Company's accounting and corporate documents. At the date

of this Report, the Manager in Charge of Financial Reporting was Mr. Laurence Lewis Van Lancker.

"**Year**": the year from 1 January 2023 to 31 December 2023 to which the Report refers.

"**Euronext Milan**": the market segment managed by Borsa Italiana S.p.A. where the shares of the Issuer are traded.

"**Lottomatica Group**" or the "**Group**": Lottomatica Group S.p.A. and, jointly, the companies directly and indirectly controlled by it.

"**Supervisory Body**" or "**SB**": the Issuer's Supervisory Body appointed pursuant to Legislative decree no. 231/2001.

"**Chairman**": the Chairman of the Board of Directors. At the date of this Report, the Chairman was Mr. Andrea Moneta.

"**Consob Issuers' Regulation**" or the "**Issuers' Regulation**": the Regulation issued by Consob (the Italian commission for listed companies and the stock exchange) with Resolution no. 11971/1999 as subsequently amended.

"**Consob Market Regulation**": the Regulation issued by Consob with Resolution no. 20249/2017 on markets as subsequently amended.

"**Related Party Regulation**": the Regulation issued by Consob with Resolution no. 17221 of 12 March 2010 on transactions with related parties as subsequently amended.

"**Report**": this report on corporate governance and ownership structure prepared pursuant to article 123-*bis* of the Consolidated Finance Act, covering 2023.

"**Remuneration Report**": the Report on the policy regarding remuneration and fees paid prepared pursuant to article 123-*ter* of the Consolidated Finance Act.

"**Consolidated Finance Act**" or "**CFA**": Legislative decree no. 58 of 24 February 1998 as subsequently amended.

## 1.0. ISSUER'S PROFILE

Lottomatica Group S.p.A. is a company whose ordinary shares are traded since May 3<sup>rd</sup> 2023 on Euronext Milan market, managed by Borsa Italiana S.p.A.

The Company has adopted Italy's traditional administrative and control system, which comprises two corporate bodies appointed by the Shareholders' Meeting: a Board of Directors, vested with the broadest powers for the ordinary and extraordinary administration of the Company, and a Board of Statutory Auditors, which supervises administration and compliance with the law and the Bylaws. The Board of Directors is also responsible for determining and implementing management and coordination activities over other group companies.

Lottomatica Group S.p.A. is the parent of the Italian group leader in the public gaming industry and one of the largest operators in Europe, focusing on innovation, digital and technology in order to guarantee a comprehensive, exciting and safe offering for its players.

Lottomatica is the main Italian leader player in the Italian gaming market authorised by Agenzia delle Dogane e dei Monopoli and one of the main players in Europe. It operates across the following segments: Online (sport betting and online games); Sports Franchise (sport betting and games on landline network) and Gaming Franchise (management of gaming halls, amusement and entertainment machines, VLT and AWP). Lottomatica offers safe and engaging gaming experiences across all channels.

In this respect, it has the ambitious goal of becoming the provider of choice for its customers by way of:

- the offer of safety, innovative and unique game experiences, online as well as in life;
- the creation of sustainable value for its clients, people, business partners, institutions, communities and shareholders;
- the implementation of sustainable innovation in the sector, through excellence in technology, and the introduction of new models of business, work and networking.

As part of the above structure, the Issuer's Board of Directors focuses its operations on the pursuit of sustainable success, i.e., the creation of long-term value for its shareholders, also considering the interests of the other stakeholders affected by the Company's operations.

The Board plays such role through the implementation of specific measures. First of all, a committee on the Environmental Social Governance ("ESG") matters has been established, with an investigation, pro-active and advisory support role on the integration of sustainability into the Group's strategy and corporate culture. This committee prepares annual action plans, monitors their implementation and provides the Board with guidelines to steer the actions of the management body. In order to support the pursuit of sustainable development the Board approved a number of specific ESG policies, among which a Diversity&Inclusion, a Responsible Marketing Policy, and an Environmental Sustainability Policy.

Lottomatica prepares a non-financial report (NFR) pursuant to Legislative decree no. 254/2016, which is available on the Company's website [www.lottomaticagroup.com](http://www.lottomaticagroup.com) and also at the competent Company Register.

The Issuer does not fall under the definition of SME of article 1.1.w-quater.1) of the CFA and article 2-ter of Consob Issuers' Regulation.

Even though the Issuer's shares have been listed on the Euronext Milan market managed by Borsa Italiana since 3 May 2023, the Company considers to be applicable to its case the CG Code definition of "large company". Indeed, its capitalisation is greater than €1 billion, at least on the last exchange business day of the year ended 31 December 2023. Furthermore, as for the year, the Company qualifies as a "company with concentrated ownership" since the shareholder Gamma Intermediate s.à.r.l. holds the majority of the votes that can be exercised in the ordinary shareholders' meeting.

## 2.0. OWNERSHIP STRUCTURE

### a) Share capital structure

Lottomatica's share capital is comprised of registered Ordinary Shares.

Ordinary Shares are indivisible, freely transferable and confer on their holders' equal rights. Specifically, each Ordinary Share confers the right to one vote at ordinary and extraordinary meetings of the Company as well as other dividend-bearing and voting rights pursuant to the Bylaws and the law.

On 31 December 2023, the Company's fully paid-up share capital amounted to €10,000,000.00 and was comprised of 251,630,412 ordinary shares, with no par value.

The Company's shares have been listed on Euronext Milan market managed by Borsa Italiana since 3 May 2023.

### b) Restrictions on transfers of securities

As of the date of the Report, there are no provisions applicable to the Issuer that have the effect of introducing restrictions on the transfer of securities. Within the framework of the agreements entered into for the purpose of listing the Company's Ordinary Shares and, in particular, with the signing of the contract for the institutional placement - entered into for the purpose of regulating the commitments relating to the placement of the Ordinary Shares - the Company entered into lock-up commitments towards the offer coordinators for up to 365 days from the Start Date of Trading, upon the expiry of which the Ordinary Shares may be transferred.

### c) Shareholders with significant interests in the share capital

Based on the communication received pursuant to article 120 of the CFA and information available to the company, on the last exchange business day of the year ended 31 December 2023, the shareholders holding a significant interest in the Company are those indicated in Table 1 'Shareholders with a significant portion of the capital' attached hereto.

The majority shareholder, Gamma Intermediate s.à.r.l., is a company incorporated under Luxembourg law that acts as an investment vehicle for the US fund Apollo Management, L.P.

### d) Securities that convey special rights

There are no securities that convey special rights.

The Bylaws do not provide for shares with multiple or majority voting rights. However, the Company's share capital may also be increased by a Shareholders' resolution, including by issuing shares having rights different than the Ordinary Shares', with contributions other than in cash and by offsetting liquid and collectible amounts owed to the Company, in accordance with and to the extent permitted by law. The Company did not avail of this option.

### e) Employee stock ownership: mechanisms to exercise voting rights

Under the incentive plans adopted by the Company, the voting rights attached to the shares granted cannot be exercised by persons other than the beneficiaries. For further information on these plans, reference should be made to the Remuneration Report.

It should be noted that on March 15<sup>th</sup>, 2023, the Issuer's Ordinary Shareholders' Meeting resolved to adopt, effective as of the Trading Start Date, a stock option plan aimed at aligning the Company's interests with those of its directors and executives with strategic responsibilities over the medium-long term (the 'Plan'). For further information on these plans, please refer to the Remuneration Report.

### f) Restrictions on voting rights

The Bylaws do not provide for voting right restrictions.

### g) Shareholders' agreements

To the best of the Issuer knowledge, as of the Report Date, no Shareholders' agreements were entered into pursuant to article 122 of the CFA.

### h) Change of control clauses and bylaws provisions governing tender offers

As of the Date of the Report, the Group is a party to certain loan agreements that include, as is customary in the negotiation practice for similar agreements, clauses that, if applied, give each of the parties the right to terminate or amend such agreements in the event of a change of control.

The Issuer's Bylaws do not derogate from the provisions on the passivity rule set forth in Article 104, paragraphs 1 and 1-bis, of the CFA and do not provide for the application of the neutralisation rules set forth in Article 104-bis, paragraphs 2 and 3 of the CFA.

### **i) Mandates to increase the share capital and authorisations to repurchase own shares**

In their extraordinary meeting of 28 March 2023, the Shareholders granted the Board of Directors - effective as of the commencement date of trading of the Company's shares on Euronext Milan, pursuant to article 2443 of the Italian Civil Code, for the period of 5 (five) years from the date of said resolution - the power to increase the share capital against payment and by instalments, to serve share-based incentive plans for a maximum amount not exceeding 5% of the share capital (including the share premium reserve), by issuing Ordinary Shares without par value, with the same characteristics as those outstanding and carrying regular dividend, excluding pre-emptive rights pursuant to article 2441.5 and 8, of the Italian Civil Code, at an issue value equal to the accounting par value of the Ordinary Shares on the date of execution of this mandate. The future capital increase serves a share-based incentive plan for management. For additional information, reference should be made to the Remuneration Report.

### **j) Management and coordination (articles 2497 and following of the Italian Civil Code)**

As noted by the Board on 27 February 2023, Lottomatica Group is not managed and coordinated pursuant to articles 2497 and following of the Italian Civil Code by its majority shareholder.

Indeed, on that date, the Board noted that the majority shareholder merely acts as a holding company, without carrying out operational or management activities. Furthermore, neither the majority shareholder nor any of its parents has effectively taken any decisions that may influence the Company's business from a commercial point of view.

Moreover, in order to strengthen Lottomatica's independence, a CEO with full powers (Mr. Guglielmo Angelozzi) was appointed to ensure that the Company can make independent strategic decisions both on the commercial and on the development matters.

Therefore, the presumption of management and coordination of the Company by Gamma Intermediate s. à r.l. was rebutted, as neither the latter nor its parents effectively carry out such activities with respect to the Company (and its subsidiaries).

The Company acts as a holding company with respect to its subsidiaries, on which it exercises significant influence, directing the power to participate in their financial and operating policy decisions.

The Company's Board of Directors comprises, inter alia, Independent Directors within the meaning of the CFA and the CG Code (see section 4.0) and other persons who do not hold controlling positions in Gamma Intermediate s.à r.l. or in other parents.

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Finally, it should be noted that:

- the information required by Article 123-bis, first paragraph, letter i), of the CFA concerning "agreements between the company and the directors ... providing for indemnities in the event of resignation or dismissal without just cause or if their employment ceases following a takeover bid" is contained in the Remuneration Report;
- the information required by Article 123-bis, first paragraph, letter l), of the CFA, concerning "*the rules applicable to the appointment and replacement of directors ... if different from the laws and regulations applicable by way of supplementary provisions*" are illustrated in section 4.2. hereinafter;
- the information required by Article 123-bis, first paragraph, letter l), second part, of the CFA, concerning "*the rules applicable ... to the amendment of the Bylaws, if different from the laws and regulations applicable by way of supplementary provisions*" is illustrated in Section 13 hereinafter.



### 3.0. COMPLIANCE

On 27 February 2023, Lottomatica's Board adopted the Corporate Governance Code<sup>3</sup>.

Company's roles, responsibilities and legislative instruments reflect the Corporate Governance Code Recommendations and the Board's decisions on how to apply the Recommendations.

The decisions taken by the Company's Board of Directors in compliance with the Corporate Governance Code Recommendations are described below.

#### **Role of the Board of Directors (article 1 of the Corporate Governance Code)**

In line with the Corporate Governance Code Recommendations, the powers of the Board have been defined, confirming its strategic and key role in the Company's Corporate Governance system, with wide-reaching powers, also in respect of the organisation of the Company and the Group and the Internal Control and Risk Management System<sup>4</sup>.

Moreover, the interest of *Stakeholders* other than Shareholders has always been one of the necessary references that Lottomatica's Directors must consider when making informed decisions, in the creation of value in the medium to long term.

In addition, the Company's mission incorporates the 17 Sustainable Development Goals (SDGs) of the United Nations, which embrace every area of social, economic and environmental development, considered in an integrated and organic manner. Lottomatica intends to effectively contribute to the achievement of these goals. These Board decisions implement, also with a view to improvement, Principle I of the Code, which recommends that "The board of directors leads the company by pursuing its sustainable success".

Specifically, the Board of Directors plays a central role in defining, on proposal of the CEO, the strategic lines and objectives of the Company and the Group, pursuing their sustainable success and monitoring their ongoing implementation.

The Board examines and approves a Five-Year Business Plan of the Company and the Group and the related budgets, also on the basis of matters that are relevant for the long-term value generation, and, assisted by the ESG Committee (Recommendation 1, lett. a) of the Code), periodically monitors the implementation of the business plan and assesses the general course of the business, comparing the results achieved with those planned (Recommendation 1, lett. b) of the Code).

Furthermore, with respect to the Five-Year Business Plan, the Board defines the nature and level of risk compatible with the Company's strategic objectives, including all the elements that can be relevant for the Company's sustainable success (Recommendation 1, lett. c) of the Code).

The Board has also defined the general criteria for identifying the transactions of the Company and its subsidiaries that have a significant impact on the Company's strategies, profitability, assets and liabilities or financial position (Recommendation 1, lett. e) of the Code), adopting behavioural and procedural safeguards for situations in which the Directors and Statutory Auditors have their own interests or those of third parties, including for transactions with the related parties of Lottomatica (see Paragraph 10.0.).

The Board also ensures compliance with the principle of correct corporate and business management of subsidiaries, and that their management independence is not compromised.

The Board also defines the corporate governance system of the Company, and assesses and promotes, where necessary, any appropriate changes, submitting them, when relevant, to the Shareholders. Furthermore, it defines the Group structure, the Company's basic outlines of the organisational, administrative and accounting structure, including the Internal Control and Risk Management System and, of its strategically important subsidiaries and of the Group, and assesses its adequacy, with particular reference to the internal control and risk management system (Recommendation 1, lett. d).

With respect to the correct management of corporate information (Recommendation 1, lett. f), on 27 February 2023, the Board approved, on proposal of the CEO, an internal procedure for the management and processing of inside information and the disclosure of documents and information pursuant to Regulation 596/2014/EU of 16 April 2014 and to the related implementing measures, as well as national regulations, taking into account applicable Italian and international institutional guidelines.

As part of the adoption and implementation of the Code Recommendations, with respect to Principle III and Recommendation 2, the Board did not deem it necessary to submit to the Shareholders' Meeting proposals to amend the Company's corporate governance system.

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<sup>3</sup> The full text of the Corporate Governance Code is publicly available on the website of the Corporate Governance Committee at the link <https://www.borsaitaliana.it/comitato-corporate-governance/codice/2020.pdf>.

<sup>4</sup> For further information, reference should be made to the "Internal Control and Risk Management System" section of this Report.

Finally, upon proposal of the Chair in agreement with the CEO, on 27 February 2023, the Board adopted a policy for managing dialogue with all its Shareholders and the financial community (see Paragraph 12.0), also taking into account the engagement policies adopted by institutional investors and asset managers (Recommendation 3 of the Code).

### **Composition of corporate bodies (article 2 of the Corporate Governance Code)**

In accordance with the Bylaws and the Corporate Governance Code (Recommendation 4), the Board of Directors appointed a CEO (Chief Executive Officer) and entrusted them with managerial powers, reserving the decision on certain matters for its exclusive jurisdiction.

Therefore, the CEO is primarily responsible for Company management.

The number of independent directors (4 out of 11) is in line with the Recommendations of the Corporate Governance Code. The Board of Directors of Lottomatica Group has predefined the criteria for assessing the significance of additional remuneration and relationships that may compromise the independence of a director.

The Board of Directors periodically checks compliance with the independence requirements, assisted by the Appointments and Remuneration Committee. The latter committee carries out a preliminary investigation based on the declarations made by the Directors and the information available to the Company.

During the Year, the Independent Directors met in the absence of the other Directors on 14 December 2023 and, given the frequency of board meetings, had further opportunities to meet informally to exchange thoughts and ideas, in compliance with the Corporate Governance Code Recommendations.

Since the date of its appointment, the Board of Statutory Auditors has expressly complied with the applicable self-regulatory provisions and its members meet the relevant independence requirements.

### **Functioning of the board of directors and the role of the Chairman (article 3 of the Corporate Governance Code)**

In line with Principle IX and Recommendation 11 of the Corporate Governance Code, in the Regulation approved on 27 February 2023, the Board defined the rules and procedures for its functioning, specifically, in order to ensure effective management of board information. Furthermore, it approved the Regulations of the individual board committees.

The Board of Directors, upon proposal of the Chairman, appointed a Board Secretary and defined her professional requirements and attributes. The Board Secretary supports the activities of the Chairman and provides impartial assistance and advice to the Board of Directors on all aspects relevant to the activities, powers and attributes of the corporate governance system (Recommendation 18 of the Code).

The Chairman of the Board of Directors plays a liaison role between Executive and Non-executive Directors and ensures the effective functioning of the board (Principle X of the Code) and, with the help of the Board Secretary, ensures that the pre-meeting information and the complementary information provided during the meeting are suitable to allow Directors to act in an informed manner (Recommendation 12, lett. a) of the Code), he also oversees the coordination of the activities of the Board of Directors (Recommendation 12, lett. b) of the Code).

The Chair, in agreement with the CEO and assisted by the Board Secretary, is also responsible for ensuring that the managers of the Company and those of the companies of the Group it heads, who are competent on the issues concerned, participate in the relevant board meetings to provide appropriate insights on the items on the agenda, also upon request of individual Directors (Recommendation 12, lett. c) of the Code).

In order to ensure an effective and conscious performance of their role by each Director, the Chair, assisted by the Board Secretary, ensures that all the members of the board of directors and control body can take part, after the appointment and during the mandate, in initiatives aimed at providing them with adequate knowledge of the industry in which the Company operates, the company dynamics and their evolution, also in relation to the Company's sustainable success. Such initiatives also cover the risk management issues as well as any relevant part of the regulatory and self-regulatory framework (Recommendation 12, lett. d) of the Code).

To this end, a training plan for Lottomatica's Board of Directors ("Board induction") was prepared and implemented by the Chair of the Board of Directors, assisted by the Board Secretary, with the active involvement of top management.

In addition, in accordance with international best practices, further checks are carried out during the mandate ("ongoing-training").

Finally, on proposal of Lottomatica's ESG Committee, during the Year a specific Induction session on ESG topics was held in favour of the members of Board of Directors and of the Board of Statutory Auditors.

The Chair, once again assisted by the Board Secretary, provides for the adequacy and transparency of the board review, with the support of the Appointments Committee (Recommendation 12, lett. e) of the Code).

With respect to the positions within the Board, in line with the Bylaws and applicable best practices, Lottomatica's model clearly distinguishes between the functions of the Chair and those of the CEO, granting management powers only to the latter.

With respect to information flows, Lottomatica's Board of Directors receives a report from the Committees on the activities carried out at least once every six months (Recommendation 17 of the Corporate Governance Code).

### **Appointment of Directors and board evaluations (article 4 of the Corporate Governance Code)**

In line with the Recommendations of the Corporate Governance Code (Principle XIV), the Board of Directors annually performs a review of the Board and its Committees and, by improving the self-regulatory provisions, will always avail of an external facilitator, in order to ensure greater objectivity in the work carried out (Recommendation 22 of the Code). Particular attention will be paid to the evaluation process of the newly appointed Board, which will focus on the size, composition and functioning of the Board and its Committees. It includes also the Board's involvement in the definition of the strategies and in the monitoring of the management of the Company's business and the adequacy of the Internal Control and Risk Management System (Recommendation 21 of the Code).

### **Remuneration of Directors (article 5 of the Corporate Governance Code)**

For information on compliance with the Remuneration Recommendations, as suggested by Borsa Italiana for the preparation of this Report, reference should be made to the Remuneration Report.

The Board has established an AR Committee (see Paragraph 6.2.).

### **Internal Control and Risk Management System (article 6 of the Corporate Governance Code)**

Lottomatica's Internal Control and Risk Management System ("ICRMS") is integrated into the Company's organisational, administrative and accounting structure and, more generally, corporate governance, and complies with the Recommendations of the Corporate Governance Code and, in general, with the reference models and applicable national and international best practices. For additional information about how the Code is applied, including how it is improved, reference should be made to the ICRMS section of this Report.

## 4.0. BOARD OF DIRECTORS

### 4.1. Role of the Board of Directors

The Board of Directors leads the company by pursuing its sustainable success. Pursuant to article 19 of the Bylaws, the Board of Directors is responsible for managing and supervising the Company's overall business activities.

The Board of Directors is vested with the broadest powers for the administration of the Company, including the power to perform all actions necessary to achieve the corporate purpose, except for those actions that are reserved to the Shareholders' Meeting by law or the Bylaws.

Pursuant to its Regulation and in line with the provisions of the Code, the Board of Directors carries out its management activities pursuing its sustainable success, i.e., the creation of value in the long term for the benefit of the shareholders, taking into account the interests of Lottomatica's other relevant Stakeholders.

Specifically, the Board of Directors defines and approves the strategic guidelines of the Company and the Group, which also include the goals of the Sustainability Plan, as well as the nature and level of risk compatible with these strategic guidelines, taking into account all elements that may be relevant for sustainable success. In its activities, the Board is assisted by Board Committees, which analyse - each within their own remit - issues relevant to the generation of long-term value.

In accordance with article 19 of the Bylaws, the Board of Directors has the power to resolve upon:

- a) mergers and splits-up, in the cases permitted by law;
- b) creation and cancellation of establishments;
- c) indication of the directors who may represent the Company;
- d) reduction of the share capital in case of withdrawal of one or more shareholders;
- e) alignment of the Bylaws to the applicable regulations;
- f) transfer of the Company's registered office within Italy.

### 4.2. Appointment and replacement

#### 4.2.1. Appointment

Pursuant to article 13 of the Bylaws, the Board of Directors consists of a number of Directors ranging from 7 members up to 15 members. The Shareholders' Meeting shall determine the number of Directors and their term of office.

Directors are appointed for a term of three years, or such shorter period as may be determined by the Shareholders' Meeting at the time of appointment and are eligible for reappointment. Their terms expire on the date of the Shareholders' Meeting convened to approve the financial statements for the last fiscal year of their term of office, subject to the causes of termination and disqualification provided for by law and the Bylaws.

Directors shall be appointed by the Shareholders' Meeting on the basis of slates submitted by the Shareholders in compliance with the laws and regulations in force, including with regard to the applicable rules on gender balance.

In particular, slates that contain a number of candidates equal to or greater than 3 must be composed of candidates belonging to both genders, to an extent that complies with the pro tempore regulations in force regarding gender balance.

Each slate shall indicate which candidates meet the independence requirements established by the laws and regulations in force; if it contains a number of candidates greater than 7, it shall contain and expressly indicate at least two directors who meet such requirements.

Slates must be accompanied within the time limits set forth in article 147-ter.1-bis, of the CFA by:

- a) information regarding the identity of the shareholders who have submitted the slates, with an indication of the percentage of the overall shareholding held, it being understood that the certification showing the ownership of such shareholding may also be produced after the filing of the slates provided that it is within the deadline set for the publication of the slates by the Company;
- b) a declaration of the shareholders who have submitted the lists other than those who hold, even jointly, a controlling interest or a relative majority interest, certifying the absence of any relationship of connection, even indirect, pursuant to the Bylaws and the laws and regulations in force at the time, with the latter;
- c) exhaustive information on the personal and professional characteristics of the candidates, with any indication of their eligibility to qualify as independent directors pursuant to the laws and regulations, including those in force from time to time, as well as by a statement by the same candidates certifying that they meet the requirements provided for by the laws and regulations, including those of honorability and, where applicable, independence;
- d) the statement by which each candidate accepts his/her candidacy;
- e) any other or different statement, information and/or document required by the law, including regulations, in force at the time.

Slates for which the above requirements are not complied with are considered as not submitted.

The outgoing Board of Directors, as well as those Shareholders who, alone or together with other Shareholders, hold shares representing a percentage of the share capital not less than the percentage prescribed for the Company by the laws and regulations in force have the right to submit slates.

The notice of call of the Shareholders' Meeting called to resolve upon the appointment of the Board of Directors shall indicate the percentage share of the share capital required for the submission of candidate slates.

Any shareholder may submit or concur in the submission of only one slate, under penalty of inadmissibility of the slate. Each candidate may only appear on one slate under penalty of ineligibility.

A director who voted in favor of the submission of a slate by the Board of Directors is not permitted, where he or she is also a Shareholder and holds, alone or together with other Shareholders, Ordinary Shares representing a percentage of the share capital not less than that prescribed for the Company by the laws and regulations in force, to present, participate in the presentation of, or vote for a slate other than the one presented by the Board of Directors.

Each person entitled to vote may vote for only one slate.

At the end of the voting process, the candidates from the two slates which received the highest number of votes shall be elected based on the following criteria:

- a) directors equal in number to the total number of members to be elected, less 1 (one), shall be drawn from the slate which received the majority of the votes cast, in the sequential order in which they are listed on that slate;
- b) the remaining director will be taken from the slate that came second in terms of the number of votes obtained, which was not submitted by the Board of Directors and is not connected in any way, not even indirectly, with the Shareholders who submitted or voted for the slate that came first in terms of number of votes.

In case of a tie vote, a new vote shall be taken by the entire Shareholders' Meeting; the candidates being elected shall be those who obtained the simple majority of the votes.

If, upon the end of the vote, no sufficient number of directors who meet the independence requirements set out by the laws and regulations in force is elected, the candidate who does not meet such requirements and who was last elected in the sequential order from the slate which received the highest number of votes shall be excluded and replaced by the following candidate who meets the independence requirements drawn from the same slate as the excluded candidate.

If needed, this procedure shall be repeated until the number of independent directors to be elected is reached.

If according to the above-described mechanics the elected candidates do not ensure the composition of the Board of Directors to be in compliance with the laws and regulations in force from time to time with regard to gender balance, the candidates belonging to the most represented gender as last elected according to the sequential order of the slate which obtained the highest number of votes shall be replaced by the first unelected candidate belonging to the least represented gender according to the sequential order of the same slate.

These replacement mechanics shall be followed until the composition of the Board of Directors is deemed to be in line with the gender balance rules in force from time to time.

Lastly, if such procedure does not enable to reach the outcome detailed hereinabove, the replacement shall be made by a Shareholders' resolution passed by relative majority, after submission of the candidacies of the persons belonging to the least represented gender.

Should only one slate be submitted, the directors shall be drawn from that slate, provided that it has been approved by simple majority vote and if the number of directors so elected does not correspond to that of the members of the Board determined by the Shareholders' Meeting,

or in the event that no slate was submitted or that the submitted slate does not permit the appointment of independent directors in compliance with the laws and regulations in force, the Shareholders' Meeting shall pass resolutions with the statutory majorities in compliance with the gender balance regulations in force from time to time.

For the appointment of directors, for whatever reason not appointed pursuant to the above procedures, the Shareholders' Meeting shall act with the majorities prescribed by law, in such a way as to ensure in any case that the composition of the Board of Directors complies with the law and the Bylaws.

Slate voting mechanics shall apply only in case of appointment of the entire Board of Directors.

If, during the course of the fiscal year, one or more directors elected from the minority list cease to serve, the Board of Directors shall, first of all, proceed in accordance with article 2386 of the Italian Civil Code.

If one or more of the ceased directors had been elected from a list also containing names of candidates who were not elected, the replacement is carried out by appointing, according to the progressive order, persons from the list to which the ceased director belonged and who are still eligible and willing to accept the office, or in the absence of such candidates in the list or their unavailability, or if the first or subsequent candidates of such list do not renew their office acceptance or if they do not meet the independence requirements eventually possessed by the Director to be replaced, or if the composition of the Board of Directors is not such as to allow compliance with the pro tempore regulations concerning the balance between genders, the Board of Directors shall proceed in accordance with article 2386 of the Italian Civil Code.

If, on the other hand, one or more directors elected from the majority list leave office during the fiscal year, the Board of Directors shall proceed pursuant to article 2386 of the Italian Civil Code without the above restrictions, subject to compliance with the regulations on gender balance.

In line with the provisions of the Code and the recommendations of the Italian *Corporate Governance Committee*, when appointing the new Board of Directors, the outgoing Board expresses and makes available to Shareholders its own Guidelines (disclosed well in advance and specifically mentioned in the notice of meeting) on the qualitative and quantitative composition deemed optimal for the new Board of Directors, also in terms of professionalism, experience, skills and diversity.

### 4.3. Composition

On February 27<sup>th</sup>, 2023, the Company's Board, in implementation of Article 2, Principle VII, Recommendation 8 of the Corporate Governance Code, adopted the Board of Directors' Diversity Policy, which aims to describe the optimal characteristics of the Board's composition so that it can carry out its duties in the most effective manner, taking decisions that can concretely make use of the contribution of a plurality of qualified points of view, capable of examining the issues under discussion from different perspectives. This Policy was drafted in the conviction that diversity and inclusion are two fundamental elements of the corporate culture. In particular, the valorisation of diversity as a founding element of sustainability in the medium-long term of the company's business represents a paradigm of reference for both Group employees and members of the Company Board.

Furthermore, with a resolution passed on February 27<sup>th</sup>, 2023, a guideline was approved regarding the maximum number of positions that can be held by Directors and Statutory Auditors, in compliance with Recommendation 15 of the Corporate Governance Code and in consideration of the best practices developed on the subject by the market.

Therefore, the following general criteria have been identified regarding the maximum number of administration and control positions in other companies that may be considered compatible with an effective performance of the role of Company Director:

- (a) Executive Directors who are assigned management mandates and/or management positions in the Company, or in a subsidiary company having strategic relevance, or in the parent company when the office also concerns the Company are not allowed to take on the office of executive director in other companies listed on regulated markets (including foreign markets) or companies of significant size, as defined below, other than the Company and the companies directly or indirectly controlled by it. However, it is permitted to serve as a non-executive director and/or auditor in no more than 2 companies listed on regulated markets (including foreign markets) or companies of significant size, as defined below, other than the companies otherwise directly or indirectly controlled by the Company;
- (b) non-executive directors (whether independent or not) are permitted to serve as executive directors in no more than 2 companies listed on regulated markets (including foreign markets) or companies of significant size. However, they are permitted to serve as non-executive directors and/or auditors in no more than 5 companies listed on regulated markets (including foreign markets) and/or companies of significant size;
- (c) for the purposes of the aforesaid limits on the number of offices held:
  - i. a "company of significant size" is considered to be any company, Italian or foreign, with net equity - possibly consolidated - in excess of €1 billion
  - ii. if a director holds offices in more than one company belonging to the same group, only one office held within that group shall be taken into account for the purposes of calculating the number of offices
  - iii. any office held as chairman of the board of directors shall be deemed to have double weight.

In their meeting on 27 February 2023, the Shareholders set the number of Board members at 11. They will remain in office for the 2023-2025 three-year period and, therefore, until the next Shareholders' Meeting called to approve the financial statements at 31 December 2025.

At 31 December 2023, the Board of Directors was composed as follows:

- Andrea Moneta (Chair);
- Guglielmo Angelozzi (CEO);
- John Paul Maurice Bowtell;
- Nadine Faruque;
- Catherine Renee Anne Guillouard;
- Augusta Iannini;
- Marzia Mastrogiacomo;
- Gaia Mazzalveri;
- Michele Rabà;

- Michael Ian Saffer;
- Yulia Shakhova.

## Personal and professional background of directors

The personal and professional background of each Director is provided in Annex 1 hereto. Annex 1 also shows a chart that depicts the skills of Board of Directors' members.

## Independence requirements

Under the CFA, at least one of the Directors, or two if the Board consists of more than seven members, must meet the independence requirements established for Statutory Auditors of listed companies in article 148.3 of the CFA. On 23 February 2023, the Company's Shareholders, improving on this regulatory provision, appointed four Independent Directors: Ms. Marzia Mastrogiacomo, Ms. Gaia Mazzalveri, Ms. Augusta Iannini and Ms. Nadine Faruque, all of whom meet the independence requirements set forth in the combined provisions of articles 147-ter.4 and 148.3 of the CFA, as well as the requirements set forth in article 2 of the *Corporate Governance Code* and the requirements of honourableness and professionalism.

The Directors' independence is assessed by the Board, subject to periodic investigation by the Appointments Committee, on the basis of both the criteria defined by the CFA and the requirements set forth in the *Corporate Governance Code*. At the time of their appointment, after the appointment, on an annual basis and should it become necessary as a result of circumstances relevant to independence, the Non-executive Directors shall issue declarations on the possession of the independence requirements and the Board shall assess their existence, taking into account all the above criteria and, as provided for by the *Corporate Governance Code*, having more regard to substance than to form. The Appointments Committee is in charge of the Board's review of the independence requirements of Directors.

More details on independent directors are available in Section 4.7 hereinafter.

## 4.4. Functioning

In addition to convening Board meetings and directing their proceedings, the Chairman of the Board of Directors, with the help of the *Corporate and Legal Affairs* function, ensures that the pre-meeting information and the complementary information provided during the meeting are suitable to allow Directors to act in an informed manner.

In its meeting on 27 February 2023, the Board of Directors approved the Regulation of the Board of Directors, which governs, *inter alia*, the procedures for calling and directing board meetings. The provisions of the Regulation are in line with the *Corporate Governance Code*.

In particular, the notice of call, signed by the Chair and drafted by them after examining the CEO's proposals, indicates: the place of the meeting; the places where it is possible to take part in the meeting by videoconference or any other forms of connection allowed; the date and time of the meeting; the agenda including the list of items to be discussed, specifying which will be subject to resolution and which to mere disclosure.

The notice of the meeting is sent by the *Corporate and Legal Affairs* department, in accordance with the Bylaws at least three days before the meeting and, in case of necessity and urgency, at least 24 hours before the meeting, to the Directors and Statutory Auditors. In order to allow for an adequate and exhaustive discussion of the items on the agenda, the notice of the meeting and the related documentation is usually sent at least five days before the meeting.

The documentation on the items on the agenda is made available to Directors and Statutory Auditors on a digital platform reserved for the Board of Directors and the Board of Statutory Auditors, which can be accessed with personal credentials assigned to each Director and Statutory Auditor (with a view to safeguarding the confidentiality and security of the information).

In line with the provisions of the *Corporate Governance Code*, a summary of the items on the agenda is prepared for each meeting. In the event that, in relation to individual topics, the documentation made available is particularly complex and voluminous, it shall be accompanied by a document summarising the most significant and relevant points for the decisions on the agenda.

During the year, the term of three days prior to the date of the meeting, provided for by the Bylaws, for the submission of documentation relating to items on the agenda subject to Board approval was substantially complied with, with the exception of urgent matters or the need to submit to the Board accounting or planning documents updated to the date closest to the date of Board examination and approval, or supporting documentation relating to transactions whose negotiation lasted until the date of the Board meeting or urgent matters that emerged subsequently. In such cases, the Chair nevertheless ensured that due consideration was given during the Board meetings, asking the corporate functions to specifically cover, during the Board presentation, the documentation received after the aforementioned three-day deadline, in order to enable the Board members to resolve in an informed and knowledgeable manner.

Pursuant to article 2391 of the Italian Civil Code, prior to the discussion of each item on the agenda of the board meeting, each Director must report any interest, on their own behalf or on behalf of third parties, that they may have in relation to the matters or issues to be discussed, specifying their nature, terms, origin and scope.

During board resolutions, the affected Directors do not normally take part in the discussion and the resolution on the relevant issues, and leave the meeting.

In 2023, the Board of Directors met 15 times with an average duration of approximately 1 hour and 30 minutes and an average attendance of 95,7% of the Directors.

Table 2 attached to this Report shows the number of Board of Directors' meetings attended by each director, while Table 3 shows the same data with reference to the Committees attended by each director. Pursuant to the Italian Market Regulation, the public was informed of the annual financial calendar which includes, inter alia, the dates of the meetings of the Board of Directors to examine the draft financial statements and the interim reports required by the regulations in force and, if applicable, the preliminary financial statements and additional periodic financial information, as well as the date of the Shareholders' Meeting to approve the financial statements. The financial calendar is available in the "Investors" section of Lottomatica website.

#### **4.5. Role of the Chairman**

The Chair ensures the effective functioning of the Board proceedings and, in their liaison role between Executive and Non-executive Directors, ensures, with the help of the Secretary, the timeliness and adequacy of the pre-meeting information submitted or transmitted to the Board, as well as the additional information provided during the meetings, and that the same is suitable to enable the directors to act in an informed manner in the performance of their role.

In this respect, the Chair ensures that the discussion of each item on the agenda is given the necessary time, favouring and stimulating board debate.

Under the Bylaws, board meetings are held by video or teleconference. These modalities are specifically governed by the applicable Regulation. The Chair ensured that board meetings were attended in agreement with the CEO, with the help of the Board Secretary, also at the request of individual directors, by the Company's executives and those of the group companies responsible for the relevant corporate functions according to the subject matter, in order to provide information on the items on the agenda (Recommendation 12, letter c) of the Corporate Governance Code).

#### **The Board Secretary**

With the approval of the Board Regulation referred to above and in line with the Recommendations of the Corporate Governance Code, on February 27<sup>th</sup> 2023 the Board specified appointed Avv. Valentina Lazzareschi as Secretary, pointing out requirements and duties of her role.

In particular, according to the Regulation, the Secretary must possess appropriate professional requirements and experience in the legal and corporate field.

The Secretary assists the Chair, specifically in performing the functions set out in the Bylaws and the Board Regulation. The Secretary also provides impartial assistance and consultation to the Board on every relevant aspect for the correct operation of the corporate governance system.

#### **4.6. Executive directors**

Pursuant to article 20 of the Bylaws, the Board of Directors may delegate, within the limits set forth in article 2381 of the Italian Civil Code, its powers to one or more of its members, thus determining the content, restrictions and mechanics for the exercise of the proxy. It is within the powers of the delegated bodies to confer, within the scope of the powers received, delegations for individual acts or categories of acts to employees of the Company and third parties, with the right to sub-delegate.

The Board of Directors delegated to Mr. Guglielmo Angelozzi (CEO) certain powers.

Specifically, on 5 May 2023, the Board of Directors decided to assign to the CEO the following system of delegations and powers:

1. to manage the external and institutional relations of the Company;
2. to represent the Company with in Associations, Foundations, Consortia, in relations both with their bodies and with their partners or associates, as well as the power to represent the Company with full voting rights and with the power to give precise indications in the Company's subsidiaries or investees;
3. to represent the Company in Associations, Foundations, Consortia, in relations both with their bodies and with their partners or associates, as well as the power to represent the Company with full voting rights and with the power to give precise indications in the Company's subsidiaries.
4. to negotiate, conclude, amend, supplement, renew or terminate, on behalf of the



- Company, with banks, credit institutions and Poste Italiane offices bank account contracts, credit/debit facility openings, discount, deposit, advance also guaranteed by securities, safe-deposit boxes and/or any other type of banking contract, including the related transactions up to a maximum amount, for each transaction of Euro 10,000,000.00 (ten million/00); and power to make withdrawals and sign checks, including cashier's checks, payment and transfer orders to the Company's bank accounts, including in relation to payments to be made to third-party vendors via bank transfers and/or home banking, all within the above limit;
5. Without any limitation of amount, transfer amounts from one account to another account of the Company, make deposits to the Company's current accounts, make transfers between accounts in the name of the Company and transfers to the other Companies of the Lottomatica Group, accept and endorse bank checks, promissory note, drafts and other credit instruments in favor of the Company's accounts;
  6. to make and authorize on behalf of the Company (i) payments of unlimited value, by means of F24 form, potentially owed by the Company to public authorities by way of taxes, duties, penalties, and/or due for any other reason, and (ii) payments of wages and contributions,
  7. to establish, amend, cancel rights in rem of collateral assets and liabilities and issue sureties;
  8. to enter into, amend, terminate joint venture agreements and/or commercial collaboration agreements, up to a maximum amount of Euro 2,000,000.00 (two million/00);
  9. to assume, purchase, subscribe, grant, sell, transfer, exchange and/or any other deed of shares, quotas and/or other equity instruments, companies, consortia or associations whose value, per single transaction, is equal and/or lower than Euro 2,000,000.00 (two million/00);
  10. to grant loans in any form to subsidiaries or affiliates (including payment extensions) and to third parties provided they are necessary to achieve the corporate purpose whose value per transaction is equal to and/or less than Euro 2,000,000.00 (two million/00);
  11. to negotiate, sign, amend, integrate, renew and/or terminate on behalf of the Company active and passive contracts, related to the Company's operational management, within the spending limits of Euro 2,000,000.00 (two million/00) for each deed and/or contract.
  12. to perform all necessary actions required to the entrepreneur, in the quality of employer, under D. Lgs. N. 81/2008 in the field of protection of employees' health and safety on the workplace, as well as in the branches of the Company, including the power to carry out all the required activities for the prevention of accidents and healthy work;
  13. with regard to the environmental issues, provide - in relation to the role of "Environmental Delegate" - the required fulfilment of legal duties and whatever is deemed appropriate and useful for the constant compliance, updating and adaptation to the legislation and rules of good practice on environmental protection pursuant to D. Lgs. 152/2006 et seq. and to the prescriptions set forth by further laws, regulations and provisions in force on the subject of environmental protection and the fight against pollution. To this end, the Attorney is also granted both the powers necessary to represent the Company to all effects before all public and private entities and bodies in charge of exercising the supervisory, verification and control functions provided for by the general and specific regulations on the subject, and all the widest decision-making and signatory powers. In the performance of the delegation received, the Attorney shall in particular, by way of example but not limited to
    - (a) Perform before public administrations, institutes, entities and private offices all the acts and operations necessary to provide for the fulfilments prescribed by D. Lgs. 152/2006 as amended and by further laws, regulations and provisions in force on the protection of the environment, on the subject of waste management, including SISTRI compliance, with the power to grant/revoke proxies, powers of attorney and/or assignments to employees and/or third parties, assuming full responsibility for such fulfilments also towards third parties;
    - (b) sign minutes in the event of inspections.

#### 4.7. Independent Directors and Lead Independent Directors

The Recommendation 13 of the Corporate Governance Code provides for the appointment, among the independent directors, of a lead independent director if three conditions set out in the same provision are met. The lead independent director acts as a contact person for non-executive and independent directors, and also coordinates the meetings of the latter (Recommendation 14 of the Code).

The Board of Directors of Lottomatica Group has four members who meet the independence requirements under both the CFA and the Code. Given the total number of directors (11), the independent members of the Company's Board of Directors exceed the quota required by law.

At present, Lottomatica Group has not appointed a lead independent director. Indeed, it does not fall into any of the circumstances covered by Recommendation 13, which require the appointment of such position.

The Chair of the Board of Directors does not hold management positions and does not exercise any form of control over the Company. Likewise, to date, none of the independent directors has requested the appointment of a lead independent director. During the meeting of the independent directors only, held on 14 December 2023, the participants deemed that the Board's current organisational structure and the management of the body's operations were adequate to enable them to fully exercise the functions for which they are responsible.

The independent directors of Lottomatica Group showed a high degree of proactivity and participation in the activities of the body, voluntarily arranging for the connection and coordination of their activities.

## 5.0. PROCESSING OF COMPANY INFORMATION

On 27 February 2023, the Board approved an “Internal procedure for handling and processing inside information and external disclosure of documents and information” (the “**Inside Information Procedure**”).

On the same date, the Issuer also adopted a “Procedure governing the list of parties with access to inside information (the “**Insider List Procedure**”).

Both procedures are available on the Issuer's website [www.lottomaticagroup.com](http://www.lottomaticagroup.com).

The Inside Information Procedure is aimed first and foremost at safeguarding the confidential nature of confidential information, while ensuring that market disclosure of company data and information is correct, complete, adequate, timely and non-selective.

The Procedure also establishes specific guidelines to be complied with for the external disclosure of corporate documents and information - providing specific rules on the internal management, processing and communication to the public of material information, inside information and financial information - and carefully regulates how corporate representatives communicate with the press and other mass media, as well as with financial analysts and institutional investors.

The Insider List Procedure governs the procedures for establishing, maintaining and updating the list of persons who, by reason of their work or profession or the functions they perform, have access to inside information.

The list is divided into separate sections, one for each piece of inside information. It also includes an additional section which provides information about the persons who have access to all inside information at all times.

The Issuer's Corporate and Legal Affairs department was identified as the party responsible for List-related activities. The List is kept in electronic format through external providers.

In 2023, in implementation of the provisions of EU and national regulations on Market Abuse, Lottomatica:

- ensured that the Register is regularly updated;
- applied the rules on internal dealing, concerning transparency on transactions involving shares or bonds issued by the Company, derivative instruments or other related financial instruments, insofar as they are carried out by “relevant persons” or by persons closely linked to them. In this respect, on 27 February 2023, the Company's Board of Directors approved a specific internal dealing procedure.

Pursuant to the internal dealing procedure, members of the Board of Directors and managers who have regular access to inside information and the power to take management decisions must notify Consob, the Company and the public of transactions carried out in their own interest on the Company's shares (and more generally on financial instruments) if they exceed the value threshold of € 20,000. During the Financial Year, the Company did not receive information on the performance of such transactions from the members of the Board of Directors and managers concerned. For more information on the obliged parties and relevant transactions, see the internal dealing procedure adopted by the Company and available on the website [www.lottomaticagroup.com](http://www.lottomaticagroup.com).

## 6.0. BOARD COMMITTEES

On 27 February 2023, in line with the recommendations of the Code, the Board of Directors approved the creation of four board committees, whose validity depends on the actual listing of the Company: the Control and Risk Committee; the Appointments and Remuneration, the Related Party Committee and the ESG Committee.

On the same date, the Board approved the regulations governing the functioning of each Committee.

The Board of Directors appointed the members of the Committees on 15 March 2023, whose validity depends on the actual listing of the Company. Their names are shown in the table below, where the independent members are highlighted in the green box, noting that the remaining members are in any case non-executive members:

	CR Committee	AR Committee	Related Party Transactions Committee	ESG Committee
<b>Chairman</b>	Gaia Mazzalveri	Nadine Faruque	Augusta Iannini	Marzia Mastrogiacomo
<b>Member</b>	Augusta Iannini	Marzia Mastrogiacomo	Nadine Faruque	Nadine Faruque
<b>Member</b>	John Bowtell	Michele Rabà	Gaia Mazzalveri	Catherine Guillouard

Each committee was allocated an annual budget of €100,000 for the performance of their respective activities and the possible remuneration of external consultants, as resolved by the Board of Directors on 27 July 2023.

### 6.1. CR Committee

The Control and Risk Committee is entrusted with the task of assisting the Board of Directors with investigative, propositional and advisory functions in evaluations and decisions relating to the internal control and risk management system, as well as those relating to the approval of periodic financial reports.

The Chairman of the Committee, Gaia Mazzalveri, was deemed to have the required knowledge and experience in accounting, finance and risk management, as indicated in Recommendation 35 of the Corporate Governance Code.

All Committee members are directors who do not perform executive functions. Overall, the Board of Directors considered that the Committee members have adequate expertise in the business sector in which the Issuer operates, so that they can adequately assess the relevant risks.

The Board of Directors' meeting of 27 July 2023 allocated adequate financial resources to the CR Committee to carry out its activities and incur any expenses required to complete its tasks.

Pursuant to its rules, the CR Committee meets at least once every six months.

#### Functions assigned to the Control and Risk Committee

The Risk and Control Committee assists the Board of Directors in carrying out its tasks relating to: (i) defining the guidelines of the internal control and risk management system in accordance with the Company's strategies; (ii) periodically verifying, at least once a year, the adequacy and effectiveness of the internal control and risk management system with respect to the Company's characteristics and the risk profile assumed; (iii) appointing, dismissing and remunerating the head of the Internal Audit function, as well as the adequacy of the resources assigned to the latter to perform his duties (iv) approval, at least once a year, of the work plan prepared by the head of the Internal Audit function; (v) assessment of the appropriateness of adopting measures to ensure the effectiveness and impartiality of judgement of the other corporate functions involved in controls, verifying that they are endowed with adequate professionalism and resources; (vi) the assignment to the control body or to a body specifically established for this purpose of the supervisory functions pursuant to Article 6, paragraph 1, letter b) of Legislative Decree no. 231/2001; (vii) describing, in the report on corporate governance, the main features of the internal control and risk management system and the methods of coordination between the parties involved in it, indicating the models and national and international best practices of reference, in order to assess its overall adequacy and reporting on the choices made regarding the composition of the Supervisory Board (viii) assessing, in consultation with the Board of Statutory Auditors, the results set forth in the reports of the independent auditors and in the letter of suggestions, if any, and in the report on key issues arising during the statutory audit; and (ix) overseeing the application of European and Italian privacy and personal data protection legislation as applicable from time to time, including Regulation (EU) 2016/679 as amended or replaced from time to time, as well as proposing appropriate technical and organisational measures to ensure compliance of personal data processing.

In assisting the Board of Directors, the CR Committee:

- i. assesses, having consulted the Manager in charge of preparing the Company's financial reports, the statutory auditor and the Board of Statutory Auditors, the correct use of accounting standards and their uniformity for the purposes of preparing the consolidated financial statements;
- ii. assesses the suitability of periodic financial information to correctly represent the business model, the Company's strategies, the impact of its activities and the performance achieved, coordinating with any special committee set up by the Board of Directors;
- iii. examines the content of periodic non-financial information relevant to the internal control and risk management system;
- iv. expresses opinions on specific aspects relating to the identification of the main corporate risks and supports the assessments and decisions of the Board of Directors relating to the management of risks arising from prejudicial events of which the latter has become aware;
- v. examines the periodic and particularly significant reports prepared by the internal audit function;
- vi. monitors the autonomy, adequacy, effectiveness and efficiency of the internal audit function;
- vii. it may request the internal audit function to carry out checks on specific operational areas, notifying the Chairman of the Board of Statutory Auditors at the same time;
- viii. it reports to the Board of Directors, at least on a half-yearly basis, on the occasion of the approval of the annual and half-yearly financial report, on the activity performed, as well as on the adequacy of the internal control and risk management system;
- ix. performs any other tasks assigned to it by the Board of Directors.

The CR Committee has access to the information and corporate functions necessary to perform its duties, and may use, at the Company's expense, within the limits of the budget approved by the Board of Directors, external consultants who are not in situations that compromise their independence of judgement. The Board of Statutory Auditors and the CR Committee shall promptly exchange information relevant to the performance of their respective duties. During the financial year 2023, and more precisely since the listing of the Issuer's shares on 3 May 2023, the Control and Risk Committee did not deem it necessary to use external consultants, although it has adequate resources and the power to appoint third parties to support its activities.

The meetings of the Control and Risk Committee are attended by the Chairman of the Board of Statutory Auditors (or another auditor designated by him) and the other auditors may also attend.

During the financial year, the CR Committee met four times (18 July 2023, 28 September 2023, 30 October 2023, 5 December 2023) and in 2024 it met twice prior to the approval of this Report.

The CR Committee exchanged information with the Supervisory Board, the Board of Statutory Auditors and the independent auditors. During a meeting with the Supervisory Board, the Committee received an update on the ANAC guidelines on whistleblowing.

The CR Committee discussed with the CFO the actions taken to comply with the requirements of Law No. 262/2005. The Committee then met with the CFO on the occasion of the review of the figures for the third quarter. In addition, the CFO reported to the Committee on the progress of tax litigation and the implementation of the Tax Control Framework, which took place towards the end of the financial year.

In addition, on 14 November 2023, the Chairperson of the CR Committee and the Chairman of the Board of Statutory Auditors met with Mr. Francesco Lauria, Chief of Internal Audit & GRC Anti-bribery and Corruption Officer of the Group, to receive an in-depth discussion on the contents of the Audit Plan 2024.

The CR Committee also assessed together with the Chief of Internal Audit & GRC Anti-bribery and Corruption Officer the state of execution of the Audit Plan 2023 and examined the initiatives envisaged in the context of the Audit Plan 2024, then submitted to the Board of Directors for approval.

During the year, the CR Committee also met with:

- representatives of the statutory auditors to discuss the audit plan under their responsibility;
- the Regulatory, Compliance AML & Quality Director to examine the anti-money laundering strategies implemented by the group;
- the Purchasing & Shared Services Director to discuss the functions performed by the latter and to obtain an overview of active insurance policies;
- the Managing Director AWP and Direct Distribution, the Chief of Betting and Digital Italy, the Investor Relator and the Chief Technical Officer for an in-depth look at the activities carried out respectively;
- the Chairman of the ESG Committee, for a discussion on the risk profiles of interest of both committees;
- the Chief People Officer to examine the organisation of the group.

The Chief Executive Officer was heard by the Committee in his capacity as the director in charge of the internal control and risk management system, and was informed whenever the Committee invited non-members of corporate functions to attend its meetings.

## 6.2. AR Committee

The Issuer's Board of Directors, in order to better coordinate the work and make the performance of certain processes more efficient, as well as in view of the current concentration of control of the Company in the hands of an absolute majority shareholder, decided to bring together the competences relating to appointments and those relating to remuneration into a single committee (Recommendation 16 of the Corporate Governance Code). The AR Committee was thus formed.

Director Michele Rabà, a member of the AR Committee, was deemed to have the required knowledge and experience in financial and remuneration policy matters, as indicated in Recommendation 26 of the Corporate Governance Code. Appointments and Remuneration Committee meetings are coordinated by the Chairman, with the assistance of a Committee secretary.

The AR Committee meets at least once every six months. It also reports on its activities to the Board of Directors at least every six months and to the Shareholders' Meeting once a year when the annual financial statements are approved.

Pursuant to Article 4.5 of the Rules of Procedure of the AR Committee, no director may attend meetings of the Committee at which proposals are formulated to the Board of Directors concerning his or her own remuneration, unless the proposals concern all the members of the governing body.

The functions of the AR Committee are: (i) assisting the Board of Directors in defining the optimal composition of the board of directors and its committees and in the self-assessment activities of the board of directors and its committees; (ii) assisting the Board of Directors in identifying candidates for the office of director in cases of co-optation in accordance with the Company's Articles of Association; (iii) assisting the Board of Directors in the event of the presentation of a list by the outgoing board of directors (iv) supporting the Board of Directors in preparing, updating and implementing any succession plan for the Chief Executive Officer and the other executive directors, as well as in assessing the adequacy of the procedures for the succession of executives with strategic responsibilities; (v) assisting the Board of Directors in defining the policy for the remuneration of directors and executives with strategic responsibilities; (vi) periodically assessing the adequacy, overall consistency and concrete application of the policy for the remuneration of directors and executives with strategic responsibilities; (vii) submitting proposals or expressing opinions to the Board of Directors on the remuneration of executive directors and other directors who hold special offices, as well as on the setting of performance objectives related to the variable component of such remuneration, monitoring the application of the decisions adopted by the Board of Directors and the actual achievement of performance objectives; (viii) expressing an opinion on particular and specific issues for which the Board of Directors has requested its examination.

During the year, the AR Committee met three times: on 5 June; 23 November and 11 December and in 2024 it met once prior to the approval of this Report. Members of the Board of Statutory Auditors were invited to, and attended, the Committee's meetings; no members of corporate functions were invited and did not attend. The meetings lasted an average of one hour. The Committee reported on its activities in the first six months at the Board meeting on 23 December 2023.

In performing its duties, the Committee carried out assessment activities relating to the identification of the beneficiaries of the Stock Option Plan, with the aim of aligning the interests of management with those of shareholders and investors. A benchmarking activity was also carried out on the representation of women within the corporate population, as a result of which the Group was above the national average. In any case, the Committee defined strategies and initiatives to further improve its results, investing in training activities aimed at and defining a multi-year action plan that also takes into account the best practices spread nationally among listed companies.

The Committee also directed the process of defining the Company's Remuneration Policy, as well as the drafting of the Remuneration Report.

In addition, the Committee began discussions to identify the processes and activities necessary to develop a succession plan for the Chief Executive Officer, executive directors and senior figures in the organisation.

With regard to the self-assessment of Board members, the Committee expressed its intention to closely monitor the process, which is also discussed in section 7.2 hereinafter.

The Committee availed itself of external consultants as support in the performance of its functions, with particular regard to remuneration issues, with the aim of obtaining remuneration benchmarks information on market trends, practices and remuneration levels in order to monitor the adequacy of remuneration.

### 6.3. Committee for Transactions with Related Parties

The Committee for Transactions with Related Parties consists solely of independent directors, in compliance with the provisions of Article 4, paragraph 3 of Consob Resolution No. 17221/2010.

The RP Committee has a regulation that governs its functioning, the procedures for convening, meeting and taking minutes of meetings.

During the year, the RP Committee met on three occasions: on 15 May 2023, 18 July 2023 and 24 November 2023 and in 2024 it met once prior to the approval of this Report.

The RP Committee examined the Company's List of Related Parties (hereinafter the 'List') and assessed the adequacy of its drafting on the basis of the available documentation.

In the context of the bond issues carried out by the Company during the Year, the RP Committee was called upon to examine the role played in both transactions by a person qualifying as a related party in the purchase and placement of the debt securities. At the end of the due examination, the Committee expressed a favourable opinion on the involvement of the party in question in the execution of the transaction, as the overall transaction was carried out in line with market conditions and placing the related party on the same level as other commercial counterparties. The RP Committee, reporting the outcome of its assessment, issued a favourable opinion when the Board approved the two transactions on the same date.

### 6.4. ESG Committee

The ESG Committee was set up by the Company on a voluntary basis in order to support the Board of Directors in fulfilling its tasks which include: (i) promoting the integration of sustainability into the Group's strategy and corporate culture, overseeing how environmental, social and governance topics are integrated into the business model and their dissemination to employees, business partners, customers and all Stakeholders in general; (ii) providing preparatory, proactive and advisory support to the Board of Directors on sustainability guidelines and objectives, overseeing the initiatives and programmes promoted by the Company in order to achieve them, monitoring results and ensuring ongoing dialogue with Stakeholders (iii) reviewing and assessing the evolution of sustainability also in light of the relevant international guidelines and principles as well as industry and market best practices, providing guidelines to the Board of Directors for the adjustment of medium-long term strategies; (iv) monitoring the progress of the actions taken to achieve the sustainability goals relating to the business of the Company and its subsidiaries, taking into account the interests of stakeholders; (v) reviewing the sustainability report containing non-financial information pursuant to European Directive 2014/95/EU and the implementing provisions set out in Legislative decree no. 254/2016; (vi) assessing the suitability of periodic non-financial information to correctly present the Company's business model, strategies, the impact of its activities and the performance achieved, in coordination with any special committee set up by the Board of Directors.

Similarly to the other committees, the ESG Committee has its own regulation.

The ESG Committee acts in collaboration with the management-level ESG working group that the Company has set up within its corporate structure.

It reports on its activities to the Board at least once a year. The Committee submitted the 2023 report to the Board of Directors on 30 October 2023 which acknowledged the findings of the ESG Committee.

The Committee met twice during the year (8<sup>th</sup> June and 24<sup>th</sup> October), and in 2024 it met once prior to the approval of this Report. The Chairman of the Board of Statutory Auditors was invited to the meetings. It should be noted that the average duration of the meetings was 2 hours.

During its meetings, the ESG Committee reviewed the 2023 Sustainability Report, followed the gradual implementation of the ESG 2023 Plan and gave preliminary, propositional and advisory support for the drafting of the ESG 2024 Plan, which was then approved by the Board of Directors with a resolution of 1 February 2024. In addition, the ESG Committee reviewed the contents of the non-financial statement prepared by the Company pursuant to Legislative Decree No. 254/2016.

## **7.0. DIRECTOR SUCCESSION AND SELF-ASSESSMENT**

### **7.1. Director succession and self-assessment**

The Board periodically checks the effectiveness of its activities and each member's contribution through a self-assessment process.

Lottomatica Group is a company with concentrated ownership. Therefore, every three years, it carries out a board evaluation before the renewal of the board of directors (see Recommendation 22, second paragraph of the CG Code). However, it voluntarily decided to conduct a self-assessment as early as 2024, covering the size, composition and actual functioning of the bodies concerned. Given the flotation in May 2023 and the concurrent appointment of the current Board of Directors, a board evaluation for such a small portion of year was not deemed useful. The Appointments and Remuneration Committee has already begun discussing the future evaluation methodology, assisted by a specialised consultancy company.

In order to ensure that the process of appointment and succession of directors is transparent and functional to achieve the optimal composition of the Board, on 27 February 2023, the Board of Directors adopted a Diversity Policy, establishing the requirements for the optimal composition of the Board.

Specifically, under this Policy: (i) the Directors should be mostly non-executive in order to perform an important communication function and help monitor the decisions made by the Executive directors; (ii) as a rule, at least two Directors other than the Chair of the Board of Directors should meet the independence requirements laid down by the law and the CG Code; (iii) candidates for the appointment of Directors of the less represented gender must be at least one third of the total number of Directors; (iv) at least one Director should have sufficient knowledge and experience in financial matters or remuneration policies and at least one other Director should have suitable experience in accounting and financial matters or risk management; (v) in order to strike a balance between the need for continuity and renewal in management, a balanced combination of different years in office and age groups should be ensured within the Board of Directors; (vi) Non-executive directors should be represented by persons with a managerial and/or professional and/or academic and/or institutional profile such to achieve a set of different and complementary skills and experience; (vii) in view of the diversity of roles played by the Chair and the Chief Executive Officer, they should have the most appropriate skills to ensure the effective performance of their respective tasks.

With this Policy, the aim of the Board is to promote the implementation of the Policy among the shareholders in order to make them aware of the relevant principles and, as far as possible, to guide the proposed nominations to the board renewal.

Since the Board of Directors has never been renewed after the flotation and the concurrent adoption of the new Bylaws, there are no guidelines on the qualitative and quantitative composition deemed optimal other than the above Policy. For the same reason, no appointments were made using the slate method. Therefore, no discussions took place with the slate supporters.

Given its recent flotation, the Company is considering preparing a succession plan for the CEO, its executive directors and its key managers in accordance with current best practices.

### **7.2. Appointments Committee**

For information about the Appointments and Remuneration Committee, reference should be made to section 6.2.



## **8.0. REMUNERATION OF DIRECTORS**

### **8.1. Remuneration of directors**

On the proposal of the AR Committee, at its meeting of 28 February 2024, the Board of Directors approved the Remuneration Policy, setting out its key principles and guidelines.

This Policy will be put to a vote at the Shareholders' Meeting convened for 9 April 2024.

For additional information on the Remuneration Policy, reference should be made to the Remuneration Report prepared by the Company, which is made available to the public within the terms and in the manner envisaged by the law and regulations in force.

### **8.2. Remuneration Committee**

Reference should be made to section 6.2.

## 9.0. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

### 9.0.1. Foreword

Lottomatica's Internal Control and Risk Management System ("ICRMS") consists of a set of tools, procedures, rules and organisational units that allow sound and correct operations in line with corporate goals. In line with the CG Code, the ICRMS contributes to sustainable success by means of an appropriate process for defining the players, tasks and responsibilities of the various control bodies and departments and for identifying, measuring, managing and monitoring the main risks, as well as by defining adequate information flows to ensure the timely circulation of information.

In order to ensure its effectiveness, the ICRMS was designed as an integrated system: its components are coordinated and interdependent and the overall system is embedded in the Company's general organisational, administrative and accounting structure.

The ICRMS is a key element of the Lottomatica Group's corporate governance system. Indeed, it enables the Board of Directors to steer the Company, pursuing the creation of value in the long term and also defining the nature and level of risk compatible with the strategic objectives, including in its evaluations all elements that may be relevant to sustainable success.

As per its resolution dated 1 February 2024, the Company's Board of Directors assessed the adequacy of the Internal Control and Risk Management System with respect to the Company's characteristics, and deemed it adequate.

### 9.0.2. Description of the main characteristics of the current Internal Control and Risk Management System in relation to the financial reporting process

The ICRMS was formalised, inter alia, in the Group's Code of Ethics, the Organisational Model pursuant to Legislative decree no. 231/2001, the Anti-Bribery & Corruption Policy and Guidelines, the ERM Model, the Memorandum on the Management Control System, the Manager in Charge of Financial Reporting Regulation, the Anti-Money Laundering Policy, the Tax Control Framework, the Data Protection Policy, the Whistleblowing Procedure and additional policies, procedures and documents mentioned in section 9.

#### Code of Ethics

The Code of Ethics clearly defines the values and responsibilities that the Company acknowledges, accepts, shares and takes on. Therefore, it expresses the principles and tasks to which all addressees must conform, accepting responsibilities, structures, roles and rules the breach of which, even if no corporate liability vis-à-vis third parties arises, entails personal responsibility within and outside the Company.

As part of the internal control system, the Code of Ethics is a tool to manage business ethics and an effective element of the Company's strategy and organisation. Furthermore, it is an integral part of both the Organisational, Management and Control Model pursuant to Legislative decree no. 231/01 and the disciplinary system for breach of the rules laid down therein.

#### Organisational Model pursuant to Legislative decree no. 231/2001

The Company adopted an Organisational, Management and Control Model (the "**Model**") pursuant to Legislative decree no. 231/01 (the "**Decree**") in order to ensure that the conduct of all those operating on its behalf or in its interest always complies with the principles of fairness and transparency in the conduct of business and corporate activities, the relevant case law and Confindustria (the main Italian association representing manufacturing and service companies) guidelines. The Model sets up a structured and organic prevention and control system which minimises the risk of committing the predicate crimes connected with the Company's operations, specifically with respect to preventing any unlawful conduct.

The Board of Directors of the Company, in its meeting of 27 February 2023, adopted the Model, drawn up following an accurate analysis of the company's activities aimed at ascertaining the potential risks of commission of the offences provided for by the Decree: the document defines the set of general principles, rules of conduct, and specific control principles, aimed at ensuring, as far as possible, the prevention of the commission of the relevant crimes.

The Model prepared by the Company is based on a structured and organic set of documents and control activities which: (i) identify *possible risk areas in the Company's business*, (ii) define an *internal regulatory system* to prevent crimes, (iii) find their basis in an *organisational structure* consistent with the Company's business; (iv) identify the *processes of management and control of financial resources*; (v) entrust the Supervisory Body with the *task of supervising the operation of and compliance with the Model*.

The Group's main subsidiaries, having identified their activities that present a risk of offences being committed and the most appropriate measures to prevent them from being committed, have adopted their own Model, consistent with the principles and contents of the Company's Model, and appointed their own supervisory body.

#### Anti-bribery & Corruption Policy and Guidelines

With the Anti-Bribery & Corruption Policy and Guidelines, the Company is committed to combating corruption in all its forms and aims to promote a culture that discourages corrupt practices and to facilitate the prevention and detection of such behaviour.

More generally, this Policy raises the awareness of all those collaborating with the Group in identifying corrupt behaviour, and in taking an active part in preventing, combating and reporting possible breaches of anti-corruption legislation.

#### Enterprise Risk Management Model

The Group adopted an Enterprise Risk Management Model (“ERM”), that takes into account the recommendations of the CG Code and national and international best practices, with the aim to assist key managers in defining the overall risk profile and identifying the obstacles to achieving corporate objectives.

#### Memorandum on the Management Control System (the “Memorandum”)

The Memorandum describes the Management Control System (“MCS”) adopted by the Issuer and its subsidiaries in order to provide a comprehensive picture of the financial position and financial performance.

The Group’s MCS enables management to make choices functional to the pursuit of strategic objectives and corporate development.

The Memorandum identifies the relevant players, describing their roles and assigning their respective responsibilities. The MCS is based on planned reporting activities.

#### Regulation of the Manager in Charge of Financial Reporting

This Regulation provides procedural, organisational and general indications that define the role and tasks of the Issuer’s Manager in Charge of Financial Reporting in accordance with the Bylaws and legal provisions. Furthermore, it describes the main information flows and procedures to coordinate activities between the Manager in Charge of Financial Reporting and the other administrative and control bodies of the Company.

With respect to risk identification and management activities, the Manager in Charge of Financial Reporting reports to the Board on the risks related to financial reporting. In addition to this, the various company departments, as part of their operational risk assessment and management activities, must provide the Manager in Charge of Financial Reporting with the results of the risk analysis and any corrective actions to be implemented.

In any case, the Manager in Charge of Financial Reporting may request, at any time, further analyses and risk assessment activities on specific company processes.

#### Anti-Money Laundering Policy

The Group’s Anti-Money Laundering Policy identifies and implements mitigation measures to manage potential legal and reputational risks related to money laundering and terrorist financing.

It provides a high-level framework for group companies to identify and mitigate potential money laundering and terrorist financing risks.

#### Tax Control Framework

The Company’s Tax Control Framework consists of an effective tax risk identification, measurement, management and control system, embedded in the corporate governance and internal control system, which ensures constant monitoring of potential tax-related risks.

For additional information, reference should be made to section 14.

#### Data Protection Policy

This Policy addresses all parties involved in data processing by the Lottomatica Group and describes the internal processes adopted by the Group to ensure that processing is carried out in compliance with EU Regulation 679/2016 (“GDPR”).

Specifically, the group companies undertake to ensure that personal data are adequately protected against unauthorised processing and accidental loss or alteration. For security purposes and in order to prevent processing in breach of the provisions of current legislation, the group companies, data controllers and processors assess the risks inherent in processing and implement appropriate measures to limit those risks.

#### Whistleblowing Management Procedure

The Company adopted a Whistleblowing Management Procedure to govern the process of receiving, analysing and processing whistleblowing reports, including anonymous ones, made by employees, collaborators, business partners and third parties and relating to actions that constitute or may constitute a potential breach or inducement to breach legislative provisions; the rules set out in the Code of Ethics, the Organisational, Management and Control Model

pursuant to Legislative decree no. 231/01 and the Anti-Bribery & Corruption management system; internal procedures and guidelines applicable to group companies.

### 9.0.2.1. Steps of the internal control and risk management system in relation to the financial reporting process

The Lottomatica Group's Internal Control and Risk Management System is characterised by:

1. the definition of the ethical values and rules of conduct to which the behaviour of employees and of all those who work in the pursuit of the Company's objectives (partners) must conform. This goal is ensured by the provisions of the Group's Code of Ethics and the Anti-Bribery & Corruption Guidelines, approved by the Company's Board of Directors on 27 February 2023, which also apply to subsidiaries and are disclosed inside and outside the Company.
2. the roles and responsibilities and relations between company departments/units, which are unambiguously defined within the adopted organisational structure, signatory powers and internal delegations, which are consistent with the hierarchical level, the organisational unit overseen and the objectives assigned.

In this respect, organisational charts and other organisational provisions are formalised, as well as the Organisational Model pursuant to Legislative decree no. 231/2001, company procedures and the system of powers and delegations.

Specifically, the ICRMS comprises the following three levels of control:

1. First control level, consisting of the set of control activities that the individual business units carry out on their own processes in order to ensure smooth operations. These control activities are the primary responsibility of the operational management and form an integral part of each business process. Therefore, the operational units are primarily responsible for the internal control and risk management process;
2. Second control level, which is assigned to autonomous departments, independent and separate from the operational ones, such as the anti-money laundering, anti-corruption, information security, privacy and compliance departments. These departments contribute to the definition of risk governance policies and the risk management process, specifically by monitoring business risks (e.g., operational risks, market risks, credit risks, strategic risks, legal risk, non-compliance risk and reputational risks), proposing guidelines on the related control systems and checking their adequacy in order to ensure efficient and effective operations, adequate risk control, prudent conduct of business, reliable information and compliance with laws, regulations and internal procedures;
3. Third control level, which is assigned to the Internal Audit & GRC - Anti-Bribery & Corruption department of the Lottomatica Group, with the objective (i) of providing independent *assurance* on the adequacy and effective operation of first and second control levels and, in general, on the ICRMS, and (ii) to assess the completeness, adequacy, functionality and reliability in terms of efficiency and effectiveness of internal controls and identify breaches of the procedures and rules applicable to Lottomatica.

The tasks and responsibilities assigned to the ICRMS are based on the provisions of applicable laws and regulations, including, inter alia, the CG Code, Legislative decree no. 231/2001, Law no. 262/2005 and industry best practices.

The supervisory strategies for risk management and internal controls over financial reporting are in line with the provisions of article 154-bis of the CFA and the CG Code, and are based on the framework of the "Internal Control - Integrated Framework" (the "CoSO Report"), prepared by the Committee of Sponsoring Organisations of the Treadway Commission.

The process comprises four steps:

1. Identify potential risks related to financial reporting: the risk identification process focuses on the analysis of financial reporting and is based on the assessment of qualitative and quantitative aspects. Initially, it focuses on the selection of the companies to be included in the analysis and, subsequently, it extends to significant processes and accounts. This step involves the definition of quantitative criteria concerning the contribution of the individual entities to the most recent consolidated financial statements, together with selection rules with minimum materiality thresholds. It also includes examining the qualitative elements that may affect the inclusion of additional entities or classes of transactions. This decision is based on the specific risks arising from the complexity of the accounting effects of the transactions carried out by these entities, or the existence of particularly large amounts in their financial statements that do not meet the above parameters. For each significant piece of financial information, the main underlying administrative and accounting processes are identified. The risks associated with financial statement assertions (concerning the existence and occurrence of events, completeness, valuation and recording, rights and obligations, presentation and disclosure) are also identified, together with the related controls designed to ensure the accuracy of the information produced.
2. Assessing financial reporting risks: risks are examined in terms of their possible impact, assessed through both quantitative and qualitative parameters, considering the lack of (inherent) controls. Risk assessment is performed at entity level with respect to information systems and at process level ("process level"). The first

context mainly includes the risks related to the general control environment and the potential malfunctioning of IT systems. Indeed, the risks associated with financial reporting are examined with respect to the activities that make up the processes.

3. Identify controls over the identified risks: Following the identification of the above risks, management mechanisms capable of mitigating them are identified, both at an overall level and at process level by identifying certain controls. A set of key controls - identified in accordance with risk-based and top-down criteria - is outlined in this respect, to ensure the prevention or timely identification of material misstatements in financial reporting.
4. Assess controls over the identified risks: The analysis and evaluation of the internal controls over financial reporting continues with the assessment of the management mechanisms identified, both in terms of adequacy - i.e., the effectiveness of the design of the management mechanisms - and effective implementation. The effective implementation is analysed through specific tests conducted mainly by the managers of the line responsible for the implementation of the mechanisms and by the Financial Reporting department assisting the Manager in Charge of Financial Reporting in order to ensure a thorough evaluation and coherent design of the control system. Monitoring of the effective implementation of administrative-accounting procedures takes into account the effective functioning of key mechanisms. The test methodology is selected based on the underlying residual risk, considering the strengths and weaknesses of the control environment, the complexity of the mechanism, the type (manual or automatic), the degree of discretion required and the reliance on other mechanisms. Monitoring activities, which include sampling methods, are consistent with international best practices. With respect to the automatic mechanisms identified, their adequacy and effective implementation are assessed including the design and operation of the general IT controls that support the relevant applications. Once monitoring is finalised, the significance of any irregularities or issues identified is analysed. At least every six months, the Manager in Charge of Financial Reporting reports to the CR Committee on the results of the activities and the evaluation process described earlier in order to assess the effective adequacy and application of the administrative-accounting procedures in place and issue the attestations pursuant to article 154-bis of the CFA.

### 9.0.2.2. Roles and departments involved

The ICRMS involves the CEO, the CR Committee, the Head of the Internal Audit department, the Supervisory Body set up pursuant to the Decree, the Manager in Charge of Financial Reporting and other corporate roles and functions, as well as the independent auditors, each within their remit and in accordance with sections 9.1. – 9.6.

## 9.1. Board of Directors

The Board of Directors is the executive body of the Company and is responsible for implementing the resolutions passed by the Shareholders in their meetings and when conducting the business. The Board of Directors plays a key role in the corporate governance system. Indeed, it is responsible for approving organisational strategies, developing a management policy, hiring, supervising and remunerating senior managers and ensuring the organisation's legal accountability to public authorities:

1. Defining the Company's strategy: The BoD is responsible for defining and approving the long-term company strategy, ensuring that it is in line with shareholders' objectives and interests.
2. Supervising executive management: The BoD members monitor the activities of the executive management, ensuring that their decisions are consistent with the Company's strategy and benefit the Company as a whole.
3. Appointing and monitoring the CEO: The BoD is involved in the selection of the CEO and is responsible for evaluating their performance over time, ensuring that it is in line with the Company's objectives.
4. Risk management: The BoD members, assisted by the CR Committee,
  1. define the guidelines of the Internal Control and Risk Management System in line with the Company's strategies;
  2. assess, at least once a year, the adequacy of the Internal Control and Risk Management System with respect to the characteristics of the Lottomatica Group and the risk profile assumed, as well as its effectiveness;
  3. appoint and dismiss the Chief of the Internal Audit & GRC - Anti-Bribery & Corruption department, setting their remuneration in line with company policies, and ensuring that they are provided with adequate resources to perform their tasks;
  4. annually approve the risk-based audit plan, after hearing the CR Committee and the CEO;
  5. assign the supervisory functions pursuant to article 6.1.b of Legislative decree no. 231/2001 to a body specially set up for this purpose.

5. Financial control: The Board oversees the Company's financial performance, examining financial reports and ensuring that they comply with accounting standards and regulations.
6. Legal and ethical compliance: The BoD is responsible for ensuring that the Company operates in accordance with applicable laws and ethical standards, taking the necessary corrective measures in the event of irregularities.
7. Shareholder communication: the BoD is responsible for high-profile strategic communication and supervision of the processes for communicating information about the Company. Relations with Shareholders and the Financial Community are maintained by the Chair, the CEO, the CFO and the Investor Relator. The BoD ensures that these parties have the necessary tools to organise and manage the relations with shareholders and the financial community.
8. Approving financial statements and financial plans: The BoD approves the annual financial statements and financial plans, ensuring that they are in line with strategic objectives and comply with accounting standards.
9. Defining corporate policies: the BoD contributes to defining the Company's policies, including personnel-related policies, and ensures that they are in line with the Company's strategic objectives and values.
10. Evaluating the performance of the BoD: Board members participate in periodic evaluations of their own performance and the overall effectiveness of the Board, constantly striving to improve their operations and contribute to the success of the Company.

## 9.2 Chief Executive Officer

On 27 February 2023, the Company's BoD appointed its CEO, Mr. Guglielmo Angelozzi, as the head of the internal control and risk management system.

The head of the internal control and risk management system:

- (i) identifies the main business risks, considering the characteristics of the issuer's and its subsidiaries' operations, and periodically have them examined by the Board of Directors;
- (ii) implements the guidelines defined by the Board of Directors, following up the design, adoption and management of the internal control and risk management system, regularly checking its adequacy and effectiveness and bringing it into line with the operating environment and the applicable legislative and regulatory framework;
- (iii) may request the Internal Audit & GRC – Anti-Bribery & Corruption department to check specific operating areas and compliance with internal rules and procedures as part of the implementation of corporate operations, while informing the Chair of the Board of Directors, the Chair of the CR Committee and the Chair of the Board of Statutory Auditors thereof;
- (iv) promptly reports to the CR Committee on the problems or critical issues identified as part of their activities or which have otherwise come to their attention, in order to enable the Committee (or the Board) to take appropriate action.

During the year, the head of the internal control and risk management system ensured that the above activities were carried out by holding regular meetings with the control departments and the Chief of the Internal Audit & GRC - Anti-Bribery & Corruption department.

Furthermore, the head of the internal control and risk management system met with the Board of Statutory Auditors and the CR Committee on 5 December 2023 to discuss the corporate risks identified and the adoption of the related mitigating actions, including by implementing the guidelines defined from time to time by the Board of Directors as part of the internal control and risk management system.

In addition to this, informal meetings and discussions took place between the head of the internal control and risk management system and the above parties (Statutory Auditors, members of the CR Committee, Chief of the Internal Audit & GRC - Anti-Bribery & Corruption department), thereby ensuring a continuous exchange of information.

During the year and, specifically, after the start of trading of the company ordinary shares on the Euronext Milan market, no circumstances arose that required the Internal Audit & GRC - Anti-Bribery & Corruption department to check specific operational areas and compliance with internal rules and procedures as part of the implementation of company transactions, in addition to the ordinary activities carried out by the internal audit department, as described in section 9.3. Similarly, as part of their activities, the CEO did not identify any problems or critical issues, nor did they receive any information to be reported to the CR Committee.

## 9.3. CR Committee

For information about the role of the CR Committee in the Internal Control and Risk Management System, reference should be made to section 6.1.

#### 9.4. Board of Statutory Auditors

In addition to that set out in section 11, with respect to the Internal Control and Risk Management System, it is noted that the Board of Statutory Auditors is the control body in listed companies and is responsible for supervising Directors' activities and checking that the Company is managed in accordance with the law and the Bylaws.

Article 149 of the CFA describes the duties of the Board of Statutory Auditors. Specifically, it checks:

- compliance with the law and the Bylaws;
- observance of the principles of correct administration;
- the adequacy of the company's organisational structure for matters within the scope of the board's authority, the adequacy of the internal control system and the administrative and accounting system and the reliability of the latter in correctly representing the Company's transactions;
- the arrangements for implementing the corporate governance rules provided for in
- codes of conduct drawn up by regulated stock exchange companies or by trade associations that the Company, by means of public disclosures, declares it complies with;
- the adequacy of the instructions imparted by the Company to its subsidiaries pursuant to article 114.2.

Furthermore, the members of the Board of Statutory Auditors shall attend the Shareholders' meetings and the meetings of the Board of Directors and the Executive Committee. Members of the Board of Statutory Auditors who fail to attend without good cause may be disqualified from office.

The Board of Statutory Auditors shall notify CONSOB without delay of irregularities found in the performance of its oversight activity and shall transmit the related minutes of the meetings and investigations conducted with all other relevant documentation.

The Directors shall promptly inform the Board of Statutory Auditors, in the manner laid down in the Bylaws and at least every three months, of the activities carried out and the transactions of greatest significance for the Company's profitability, financial position or assets and liabilities. The Board of Statutory Auditors and Independent Auditors shall promptly exchange data and information relevant to the performance of their respective duties. The persons assigned to internal control functions shall also report to the Board of Statutory Auditors.

Members of the Board of Statutory Auditors, jointly or severally, may at any time carry out inspections and controls, and require the Directors to supply information. After notifying the Chair of the Board of Directors, the Board of Statutory Auditors may also call the Shareholders' Meeting and meetings of the Board of Directors or the Executive Committee. The Board of Statutory Auditors shall report on the supervisory activity performed and on any omissions and censurable facts found to the Shareholders' Meeting.

Article 152 of the CFA explicitly provides that the Board of Statutory Auditors, where it has a well-founded suspicion that the Directors, in violation of their duties, have committed serious irregularities in transactions that may injure the Company or one or more of its subsidiaries, may report the facts to the courts.

The Internal Audit & GRC – Anti-Bribery & Corruption department shall regularly provide the Chair of the Board of Statutory Auditors with reports containing suitable information about the activities carried out, how risk management is conducted and compliance with the relevant mitigation plans. The periodic reports shall contain an assessment of the suitability of the Internal Control and Risk Management System;

#### 9.5 Head of the Internal Audit department

The Internal Audit & GRC - Anti-Bribery & Corruption department assists the Company in achieving its business objectives and performs independent, objective and professional risk-based assurance and advisory work, based on the International Professional Practice Framework, protecting and enhancing the value of the Lottomatica Group as well as providing objective and risk-based assurance.

Internal audit activities are aimed at improving the effectiveness and efficiency of the Lottomatica Group's internal control and risk management system and to identify anomalous trends, breaches of internal procedures and regulations (third-level control).

On 27 February 2023, the Board of Directors appointed Francesco Lauria as the Internal Audit & GRC - Anti-Bribery & Corruption Officer, granting him, inter alia, full spending autonomy in exercising the tasks assigned, within the limits of the general annual budget allocated to the internal audit department and without prejudice to any additions and amendments deemed necessary - which may be examined and approved by the Board of Directors at any time - as well as all the organisational and management powers necessary to perform the tasks assigned, including direct access to all departments, offices and information necessary or useful for the performance of this role.

During the year, the CR Committee and the Board of Statutory Auditors examined the adequacy of the organisation and resources available to the department to perform its tasks.

The Internal Audit & GRC - Anti-Bribery & Corruption department carries out its mandate, which was approved on 27 February 2023 by the Company's Board of Directors, in accordance with the Institute of Internal Auditors' definition of Internal Auditing and the binding nature of the principles set out in the International Professional Practice Framework, the International Standards for the Professional Practice of Internal Auditing and the Code of Ethics (The Institute of Internal Auditors) and in line with current regulations, including the corporate governance rules and regulations of the relevant industry. To this end, in June 2023, the Internal Audit & GRC - Anti-Bribery & Corruption department was deemed to "generally conform" to the International Standards and the Code of Ethics of The Institute of Internal Auditors following a full external assessment conducted by an independent company.

In accordance with the mandate, the Chief of the Internal Audit & GRC - Anti-Bribery & Corruption department:

- checks, both regularly and in relation to specific needs and in compliance with international standards, the functioning and suitability of the Internal Control and Risk Management System, through an audit plan approved by the Board of Directors and based on a structured process of analysis and priority of key risks;
- ensures the preparation of the annual audit plan, subject to the opinion of the CR Committee, and periodically submits its progress and the relevant follow-up information;
- prepares the periodic reports containing suitable information about the activities carried out, how risk management is conducted and compliance with the relevant risk mitigation plans. The periodic reports shall contain an assessment of the suitability of the Internal Control and Risk Management System;
- prepares timely reports on events of major importance;
- submits these reports to the chairs of the Board of Statutory Auditors, the CR Committee and the Board of Directors as well as to the CEO;
- ensures that the information systems are checked against the relevant international standards and principles and the provisions of company rules, regulations and/or policies.

The Internal Audit & GRC - Anti-Bribery & Corruption department has no operational responsibility or authority over audited activities and hierarchically reports to the Board of Directors.

The independence of the Internal Audit & GRC - Anti-Bribery & Corruption department is also ensured through the functional segregation of the resources of the Internal Audit & GRC - Anti-Bribery & Corruption department from those of the other departments of the Lottomatica Group. Should independence be compromised, the Chief of the Internal Audit & GRC - Anti-Bribery & Corruption department shall report the reasons therefor to the Board of Directors.

The Chief of the Internal Audit & GRC - Anti-Bribery & Corruption department is also responsible for risk and anti-bribery and corruption management activities in accordance with the CoSO ERM framework and the ISO 37001:2016 governance/compliance international standard. In order to limit constraints on independence or objectivity and ensure the independence of the department, the Board of Directors implements specific safeguards, such as the periodic assessment of reporting lines and responsibilities and the implementation of alternative processes in order to obtain assurance on the additional areas of responsibility of the Internal Audit & GRC - Anti-Bribery & Corruption department. The CR Committee and the Board of Statutory Auditors met on 27 September and 5 December to hear Mr. Lauria's presentation on the progress of the 2023 Audit Plan.

On 14 December 2023, the Board of Directors approved the 2024 Audit Plan, which had previously been submitted to the review of the CR Committee and the Board of Statutory Auditors.

During the year, no events of particular significance occurred that required the head of the internal audit department to prepare a specific report.

## **9.6. Supervisory Board pursuant the Organisational model set under the Legislative decree no. 231/2001**

Please refer to section 9.0.2 regarding the Model and to section 9.9 below regarding the Supervisory Board

## **9.7. Independent auditors**

Upon the proposal of the Board of Statutory Auditors, in their meeting on 27 February 2023, the Company's Shareholders appointed PricewaterhouseCoopers S.p.A. ("PwC"), with registered office in Milan, Piazza Tre Torri 2, VAT no. 12979880155 and Italian Register of Auditors' registration no. 119644, to perform the statutory audit of the Company's financial statements for the 2023-2031 nine-year period. The engagement was assigned subject to the condition precedent on the Initial Trading Date of the Company's ordinary shares on the Euronext Milan market.

The compensation for the external audit service is € 1,205,000.00 plus VAT for each financial year.

In view of the Company's listing on the Euronext Milan market, the Independent Auditors audited the Company's financial statements as at and for the years ended 31 December 2020, 2021 and 2022, not pursuant to any legal requirements. These financial statements were prepared in accordance with the EU-IFRS and were approved by the Board of Directors on 27 February 2023.



## 9.8. Manager in Charge of Financial Reporting and other corporate roles and functions

On 27 February 2023, the Board of Directors appointed the Group CFO, Laurence Lewis Van Lancker, as Manager in Charge of Financial Reporting pursuant to article 154-bis of the CFA. Mr. Van Lancker qualified for this role as he possesses all necessary requirements, including a significant professional experience in the economic, accounting and financial sector, and the integrity requirements for directors. Furthermore, there are no obstacles to holding this office. At the same time, the BoD approved a regulation that provides procedural, organisational and general guidelines for defining the role and functions of the Manager in Charge of Financial Reporting in accordance with the provisions of the Bylaws and the law, and describes the main information flows and the procedures for coordinating activities between the Manager in Charge of Financial Reporting and the other administrative and control bodies of the Company. The Manager in Charge of Financial Reporting is entrusted with the adequate powers and means to enable the effective exercise of the duties and tasks assigned to them under current legislation. Indeed, the Manager in Charge of Financial Reporting may:

1. request, within the Company and the companies included in the consolidation scope: (a) all administrative and accounting information useful for the preparation of the annual financial statements, the half-yearly report, the consolidated financial statements and other interim reports; (b) any management information related to events that may significantly influence the performance and results of operations of the Company and the companies included in the consolidation scope;
2. draw up, in collaboration with the relevant departments, corporate procedures covering the processes pertaining to the areas under their direct responsibility, including the activities pertaining to cross-cutting management processes relevant to the tasks and responsibilities assigned to them, also by amending existing ones;
3. propose changes to the Internal Control System in relation to company processes that have a direct or indirect impact on the preparation of the annual financial statements, the half-yearly report and the consolidated financial statements and, more generally, on the accounting and financial information of the Company and the companies included in the consolidation scope, also in respect of issues relating to IT systems;
4. carry out checks and controls on any process/procedure of the Company and of the companies included in the consolidation scope that has a direct or indirect impact on the preparation of the annual financial statements, the half-yearly report and the consolidated financial statements and, more generally, on the Company's accounting and financial reporting, also in respect of issues relating to IT systems. Without prejudice to the responsibilities of the Manager in Charge of Financial Reporting, these checks may be carried out through an appropriate collaboration plan with the Internal Audit department, and other corporate departments, or through external resources, or by activating appropriate synergies with the Independent Auditors;
5. have financial autonomy, within the limits of the approved budget or beyond that budget, when an express request is made to the Board of Directors and for specific and proven needs;
6. identify organisational and procedural solutions to ensure the adequacy of internal controls over financial reporting. The tasks of the Manager in Charge of Financial Reporting are as follows: (i) prepare a written statement to confirm that the Company's acts and communications disclosed to the market and relating to the Company's accounting disclosures, including interim reports, are consistent with the supporting documentation, books and accounting records; (ii) prepare adequate administrative and accounting procedures to draw up the annual financial statements, the consolidated financial statements and any other communication of a financial nature, update them and promote their dissemination, knowledge and respect; (iii) prepare a specific report, attached to the half-yearly report, the annual financial statements and the consolidated financial statements, in which they state: (a.) the adequacy and effective application of the above-mentioned administrative and accounting procedures during the period of reference of the documents; (b.) that the documents were prepared in compliance with the International Financial Reporting Standards endorsed by the European Community pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and the Council of 19 July 2002; (c.) the correspondence between the documents and related bookkeeping and accounting records and the suitability of the documents to truthfully and correctly represent the financial position of the issuer and the group of companies included in the consolidation scope; (d.) for the annual and consolidated financial statements, that the directors' report contains a reliable analysis of the business outlook and management result, the financial position of the issuer and group companies included in the consolidation scope, and a description of the main risks and uncertain situations to which they are exposed; (e.) for the half-yearly report, that the interim directors' report contains a reliable analysis of the more significant events occurring in the first six months of the year and their impact on the half-yearly report, together with a description of the main risks and uncertainties faced in the remaining six months of the year. The further tasks assigned to the Manager in Charge of Financial Reporting include: (i) assess, together with the CR Committee and having consulted with the Independent Auditors and the Board of Statutory Auditors, the correct use of accounting policies and their consistency for the purposes of preparing the consolidated financial statements; (ii) participate, where planned and/or requested, in periodic meetings with other control bodies (Supervisory Body pursuant

to Legislative decree no. 231/01, Board of Statutory Auditors, etc.) on matters relating to financial reporting; (iii) draw up an annual plan of the “activities provided for by Law no. 262/2005” to be submitted to the Board of Directors for approval and to the Board of Statutory Auditors; (iv) check the correct design and effective operation of the controls envisaged in the current administrative-accounting procedures; (v) monitor the periodic reporting on the activities carried out to the Board of Directors and the Board of Statutory Auditors; (vi) participate in the design of the information systems that have an impact on the Company's financial position and financial performance.

## 9.9 Supervisory Body

In order to exclude the Company's criminal liability, article 6 of Legislative decree no. 231/2001, provides, in addition to adopting and effectively implementing Organisational and Management Models, for the set-up of a body within the company, responsible for monitoring the effectiveness of the 231 Model adopted.

As part of its tasks, the Supervisory Body shall have both independent powers of control (to constantly monitor the operation of and compliance with the Model) and initiative (to guarantee that the Model is updated), in order to ensure its effective and efficient implementation.

The independent power of control and initiative is understood as the possibility of using appropriate funds and the absence of management operations to avoid being subject to the management line.

On 27 February 2023, the Company's Board of Directors appointed a Supervisory Body, different from the other bodies, responsible for supervising the Organisational, Management and Control Model. The Supervisory Body (“SB”) is made up of:

- Ms. Francesca Rosetti – Chair
- Mr. Stefano Baduini – Member

Ms. Valentina Lazzareschi - internal member of the Company, Chief of the Corporate & Legal Affairs department. The SB is appointed by resolution of the Board of Directors and remains in office for the period set at the time of their appointment and, in any case, until their successors are appointed. Its term of office may be renewed twice and the appointment as a member of the SB is subject to meeting the professional and integrity requirements and to the lack of causes of incompatibility with the appointment.

The tasks assigned to the SB, also based on that set out in articles 6 and 7 of the Decree, can be summarised as follows:

- supervise the effectiveness of the Model, i.e., the consistency between actual behaviour and the Model;
- check the adequacy of the Model, i.e., its actual - not just formal - ability to prevent the prohibited behaviour;
- analyse the existence of the soundness and functionality requirements of the Model over time;
- periodically check the Company's operations to identify the areas exposed to the crimes covered by the Decree and propose their updating and integration, where necessary.

To enable the Supervisory Body to perform its tasks with autonomy and independence, the Board of Directors, when approving the Model, also approves an annual budget for the Supervisory Body in order to:

- check the effectiveness of the Model in relation to the corporate structure and its effective ability to prevent the crimes covered by the Decree, proposing - where necessary - any updates to the Model, specifically with respect to the evolution and changes in the organisational structure or corporate operations and/or in the applicable legislation;
- check the existing authorisation and signature powers to ascertain their consistency with the relevant organisational and management responsibilities and propose their update and/or amendment, where necessary;
- carry out an audit of the actions performed by those vested with signature powers and of the reports periodically sent by them to the delegating body in order to check their consistency with the mission and the powers assigned;
- examine all reports received, including those received anonymously, and assess any consequent action at its reasonable discretion and responsibility, hearing, if necessary, the reporting party and/or the person responsible for the alleged breach, and giving reasons in writing for any decision taken in this respect;
- define the information flow that enables it to be periodically updated on the activities exposed to the crimes covered by the Decree, and establish communication methods, in order to become aware of any breaches of the Model;
- implement, in accordance with the Model, an effective information flow to the Board of Directors to enable the SB to report to it on the effectiveness of and compliance with the Model;
- promote, in collaboration with the competent company departments/areas, an adequate personnel training process through suitable initiatives for the dissemination of knowledge and understanding of the Model;
- promote and coordinate initiatives that facilitate the awareness of the Model and the related procedures by all those acting on behalf of the Company.

### **9.10. Coordination between the parties involved in the Internal Control and Risk Management System**

Coordination between the parties involved in the Internal Control and Risk Management System is achieved by adopting specific operating regulations by the Board of Directors and the Committees, which introduce periodic communication flows between the bodies and the various departments for the purposes of an efficient cooperation and constructive interaction on an ongoing basis.

In operational terms, the members of the Board of Statutory Auditors are constantly invited to participate in the work of the CR Committee, and the Group's CFO and Manager in Charge of Financial Reporting are also invited. The Head of the Internal Audit & GRC - Anti-Bribery & Corruption department and the members of the Supervisory Body, as well as the representatives of the Independent Auditors, were also able to attend joint meetings with the CR Committee.

Specifically, the representatives of the Independent Auditors and the Manager in Charge of Financial Reporting also participated in a joint meeting of the CR Committee, the Board of Statutory Auditors and the Supervisory Body.

## 10.0. INTERESTS OF THE DIRECTORS AND RELATED PARTY TRANSACTIONS

In accordance with article 4.1 of Consob resolution no. 17221/2010 (Regulations containing provisions relating to transactions with related parties), the Company adopted a procedure for related party transactions (the "**Procedure**"), which was approved by the Board of Directors on 27 February 2023, effective as of and subject to the Initial Trading Date. The Procedure: (a) governs the identification of related parties, defining the methods and timeframe for preparing and updating the list of related parties and identifying the competent corporate departments; (b) establishes rules for identifying related party transactions prior to their completion; (c) governs the performance of related party transactions by the Company, including through subsidiaries pursuant to article 93 of the FCA or otherwise subject to management and coordination activities; (d) establishes the methods and timeframe for fulfilling disclosure obligations to corporate bodies and the market.

During the year, the Company was a "company recently listed" pursuant to article 3.g of Consob resolution no. 17221/2010. Therefore, even in the case of "transactions of greater importance" pursuant to article 8 of Consob resolution no. 17221/2010, it nevertheless applies the procedure provided for "transactions of lesser importance" as per article 7 of Consob resolution no. 17221/2010.

The Procedure identifies the Company's Finance and Control department as the department responsible for carrying out certain activities covered by the Procedure. This department drew up, inter alia, a list of related parties, which it keeps and updates at least every six months, as required by the Procedure.

Furthermore, in order to enable all group entities to adequately apply the Procedure, it forwarded its text to the main company departments and to the departments that must oversee compliance with the Procedure, in addition to the members of the administrative body and (where present) of the control body of the subsidiaries and their main departments.

All natural persons identified as related parties of the Company received a questionnaire to be filled in, indicating the companies over which they exercise control, joint control, significant influence or in which they hold key management positions, as well as their close relatives and the companies over which the latter exercise control, joint control, significant influence or hold key management positions.

Furthermore, as described in chapter 6 of this Report, the BoD set up a Related Party Transactions Committee as described in section 6.3.

## 11.0. BOARD OF STATUTORY AUDITORS

### 11.1. Appointment

Pursuant to article 24 of the Bylaws, the Shareholders' Meeting elects the Board of Statutory Auditors, composed of 3 (three) Standing Auditors, and set their remuneration. The Shareholders' Meeting also elects 2 (two) Alternate Auditors. The powers, duties and term of office of the Statutory Auditors are established by law.

In compliance with the law, the Bylaws provide that persons who exceed the limits on the cumulation of positions (article 148-bis of the CFA), or are subject to causes of ineligibility or forfeiture, or do not meet the integrity and professionalism requirements provided for by the laws and regulations in force may not be elected as Statutory Auditors and, if elected, they shall lose their office. For the purpose of article 1.2.b) and c), of the Italian ministry of justice decree no. 162 of 30 March 2000, which sets forth the relevant professionalism and good standing requirements, the subject matters inherent to the business segment of the Company, as well as the subject matters relating to private law, administrative, tax-related, economic and financial disciplines, as well as those relating to economy, organisation and corporate finance, shall be deemed to be closely connected with the scope of the Company's business.

Standing Auditors and Alternate Auditors are appointed by the Shareholders' Meeting in accordance with the rules with regard to gender balance (article 148.1-bis of the CFA), based on the slates submitted by Shareholders. Specifically, slates with a number of candidates equal to, or greater than, 3 (three) shall contain candidates of both genders.

In the slates, candidates must be listed in sequential order and in a number not higher than the number of members that must be elected. Each slate must contain two sections: one for the appointment of the Standing Auditors and another one for the appointment of the Alternate Auditors.

The notice of call of the Shareholders' Meeting called to resolve upon the appointment of the Board of Statutory Auditors shall indicate the minimum share capital percentage quota required to this purpose. Each Shareholder (as well as (i) shareholders belonging to the same group, by which is meant the controlling entity, including non-corporate, pursuant to article 2359 of the Italian Civil Code and article 93 of Legislative decree no. 58/1998 and any company controlled by, or under the common control of, the same entity, or (ii) shareholders who are members of the same relevant shareholders' agreement pursuant to article 122 of Legislative decree no. 58/1998, or (iii) shareholders who are otherwise related to each other by virtue of relevant relationships pursuant to the laws and/or regulations in force from time to time and applicable) may submit, or participate in the submission of one (and only one) under penalty of ineligibility. Each candidate may be listed only in one slate, under penalty of ineligibility.

Slates must be accompanied, within the time limits set forth in articles 148 and 147-ter.1-bis, of the CFA, by: (a) information regarding the identity of the shareholders who have submitted the slates, with an indication of the percentage of the overall shareholding held; (b) a declaration of the shareholders who have submitted the lists other than those who hold, even jointly, a controlling interest or a relative majority interest, certifying the absence of relations of connection, even indirect, pursuant to the Bylaws and the laws and regulations in force at the time, with the latter; (c) exhaustive information on the personal and professional characteristics of the candidates, with an indication of the positions of administration and control held in other companies, as well as by a declaration by the same candidates certifying that they possess the requirements, including those of integrity, professionalism, independence and relating to the accumulation of positions, provided for by the law, including regulations, in force at the time and by the Bylaws; (d) the declaration with which each candidate accepts his/her candidacy; (e) any other or different declaration, information and/or document required by the law, including regulations, in force at the time. The slate for which the above provisions are not complied with is considered as not submitted.

Each person entitled to vote may vote for only one slate.

Statutory Auditors shall be elected as follows:

- (a) 2 (two) Standing Auditors and 1 (one) Alternate Auditor shall be drawn, according to the sequential order in which they are listed, from the slate having obtained the highest number of votes during the Shareholders' meeting;
- (b) the third Standing Auditor — who shall be appointed as the Chair of the Board of Statutory Auditors — and the second Alternate Auditor shall be drawn, according to the sequential order in which they are listed, from the slate having obtained the second highest number of votes in the Shareholders' meeting and not being anyhow connected, not even indirectly, with the Shareholders who submitted or voted for the slate that received the highest number of votes. If more than one minority slate obtained an equal number of votes, the elected candidate, Statutory Auditor and Alternate Auditor, shall be the most senior in age;
- (c) if only one slate is submitted, the entire Board of Statutory Auditors shall be drawn from that slate, provided that it obtained the approval by simple majority of votes.

In the event that only one slate, or only slates submitted by shareholders who are related to each other pursuant to article 144-quinquies.1 of Consob regulation no. 11971/1999, have been filed by the expiration date of the deadline for the submission of slates, slates may be submitted until the third calendar day following that date. In this case, the percentage of share capital required for the submission of the list is reduced to half.

If the above methods do not ensure the composition of the Board of Statutory Auditors, in its effective members, in accordance with the pro tempore regulations concerning the balance between genders, the necessary replacements will be made, within the candidates for the office of Standing Auditor of the list that obtained the highest number of votes, according to the progressive order with which the candidates are listed.

In case of loss of the legal and statutory requirements, Statutory Auditors shall lose their office.

In case of replacement of one Auditor, the Alternate Auditor belonging to the same slate shall replace the departing Auditor. Alternatively, in case of departure of a minority Statutory Auditor, he/she should be replaced by the next candidate on the slate which the departing Auditor belonged to, or else by the first candidate on the minority slate which obtained the second highest number of votes.

The chair of the Board of Statutory Auditors shall however lie with the minority statutory auditor and the composition of the Board of Statutory Auditors shall comply with the gender balance rules in force from time to time.

When the Shareholders' Meeting must appoint Standing and/or Alternate Auditors as it may be necessary to integrate the Board of Statutory Auditors, the following procedure shall apply: if auditors drawn from the majority slates need to be replaced, substitutes are appointed through a majority voting process, free from any slate-related restrictions; if auditors drawn from the minority slates need to be replaced, the Shareholders' Meeting shall replace them through a majority vote, thus selecting, if possible, the candidates indicated on the slate which the auditor who needs to be replaced belonged to.

Should it not be possible, for any reason whatsoever, to replace the statutory auditors appointed by the minority, then the Shareholders' Meeting shall carry out a relative majority vote, after the submission of the candidacies by shareholders; however, in ascertaining the results of this final round of voting, the calculation shall not include the votes of those Shareholders who, according to the notices served in accordance with the regulations in force, hold a relative majority of the votes that may be cast at Shareholders' Meetings, including indirectly or also in conjunction with other Shareholders that are parties to a Shareholder agreement relevant for the purpose of article 122 of Legislative decree no. 58/1998, or of those Shareholders who control, are controlled by or are subject to common control with the same. The replacement procedures described under the above paragraphs shall in any case ensure the compliance with the regulations in force with regard to gender balance.

Meetings of the Board of Statutory Auditors may also be held remotely by means of telecommunication, provided that all participants can be identified and such identification is indicated in the relevant minutes of the meeting and they are able to follow and participate real-time in the discussion and to exchange documents if necessary; if all the above conditions are met, then the meeting of the Board of Statutory Auditors shall be deemed held in the place where the person who chairs the meeting is located.

Upon prior notification thereof to the Chair of the Board of Directors, the Board of Statutory Auditors may convene Shareholders' Meetings or meetings of the Board of Directors. The relevant powers may also be exercised by at least 2 (two) Standing Auditors in case of convocation of a Shareholders' Meeting, and by at least 1 (one) Standing Auditor in case of convocation of a meeting of the Board of Directors.

Departing Statutory Auditors are eligible for re-election.

The Issuer is not subject to industry standards that affect the composition of the Board of Statutory Auditors.

## 11.2. Composition and operation

The current Board of Statutory Auditors consists of:

- Andrea Lionzo;
- Veronica Tibiletti;
- Giancarlo Russo Corvace.

The Board of Statutory Auditors was appointed by the Shareholders in their meeting on 15 March 2023 with effect from the Initial Trading Date of the Company's Ordinary Shares on the Euronext Milan Market. It will remain in force until the Shareholders' Meeting called to approve the financial statements at 31 December 2025.

The Board of Statutory Auditors was appointed prior to the listing of the Company and before the current version of the Bylaws came into force, which provides for election procedures that comply with those required by the CFA for companies with securities admitted to trading on regulated markets.

Between the reporting date and the Date of the Report, there have been no further changes in the composition of the Board of Statutory Auditors in addition to those described above.

The Board of Statutory Auditors is composed of highly professional and experienced individuals, as per the brief CVs attached to the Report. Furthermore, also in view of the listing and the entry into force of the above Bylaws, both genders have been adequately represented on the control body.

Table 4 attached to this Report shows the number of meetings of the Board of Auditors attended by each member.

## Diversity criteria and policies

As mentioned, the current Board of Statutory Auditors was appointed prior to the listing of the Company and the diversity of its members was ensured by the former sole shareholder, who chose the above-mentioned persons with the aim of ensuring the appropriate diversity in terms of age, gender and educational and professional background of the control body.

At its meeting on 15 January 2024, the Board of Statutory Auditors adopted a Diversity Policy, drafted in the awareness that the enhancement of diversity is a value and a founding element of sustainability in the medium-long term.

The Policy describes the optimal characteristics of the composition of the Board so that it can carry out its supervisory duties in the most effective way, taking decisions that can concretely make use of the contribution of a plurality of qualified points of view, capable of examining the issues under discussion from different perspectives.

## Independence

The independence of the current members of the Board of Statutory Auditors was checked when they accepted the post, i.e., prior and subject to the Initial Trading Date of the Company's Ordinary Shares on the Euronext Milan Market. The assessment of the fulfilment of the independence requirements was described in the Prospectus published by the Company.

Specifically, the members of the Board of Statutory Auditors declared that they meet the independence and integrity requirements pursuant to article 148.3 and 4 of the CFA, as well as those of integrity pursuant to article 2 of Ministerial decree no. 162/2000.

The members of the Company's Board of Statutory Auditors are subject to the "Guideline on the maximum number of offices that may be held by directors and statutory auditors", approved by the Board of Directors on 27 February 2023, which sets specific limits in line with those provided for in article 148-bis of the CFA. The "Policy on qualitative and quantitative criteria for assessing independence requirements pursuant to article 2, recommendation 7.1.c) and d) of the Corporate Governance Code" adopted by the Company also applies to Statutory Auditors.

The Board of Directors checked that the Statutory Auditors met the independence and integrity requirements on 5 May 2023.

It should be noted that, during the year, no circumstances arose that compromised the fulfilment of these requirements. At the Date of the Report, to the best of the Company's knowledge, none of the members of the Board of Statutory Auditors exceeded the limits on the cumulation of offices set forth in article 144-terdecies of the Consob Issuers' Regulations.

At the Date of the Report, to the best of the Company's knowledge, none of the members of the Board of Statutory Auditors had any family relationship with the other members of the Issuer's Board of Statutory Auditors, with members of the Board of Directors or with the Company's key managers.

## Remuneration

The remuneration of Statutory Auditors is determined by the Shareholders' Meeting, taking into account the commitment required of them, the importance of their role and the size and sector characteristics of the Issuer.

For information about the remuneration of Statutory Auditors, reference should be made to the Remuneration Report.

## Interest management

Since the Issuer complies with the CG Code, Recommendation 37 applies to the Board of Statutory Auditors, whereby the member of the control body who, on his or her own behalf or on behalf of third parties, has an interest in a specific transaction of the Company, provides prompt and exhaustive information to the other members of the same body and to the Chair of the Board of Directors about the nature, terms, origin and extent of his or her interest.

More information on the professional profiles of the members of the Board of Statutory Auditors and their current positions in other companies can be found in Annex 2.

## 12.0. SHAREHOLDER RELATIONS

The Company's website includes a specific section on "Investors" which is easily identifiable and accessible and which provides information about the Issuer that is relevant to its shareholders as it enables them to exercise their rights in an informed manner.

The Company's website also includes a specific section on "Governance" which is easily identifiable and accessible and which provides comprehensive information about the corporate governance system.

With reference to the dissemination and storage of regulated information pursuant to article 113 of the CFA, it is noted that the Company uses the 1INFO SDIR system, managed by Computershare S.p.A. and authorised by CONSOB, to transmit and store regulated information;

On 27 July 2023, the Company's Board of Directors appointed Alice Annalisa Poggioli as Investor Relator. The Company's Investor Relations department handles investor relations, ensuring proper, continuous and complete communication. It also handles relations with financial analysts who follow the Company and with institutional investors.

This department organises periodic meetings, also by telephone or video-conference link, concerning periodic economic and financial reporting, and the documentation illustrated at these meetings is, at the same time, made available to the public on the Company's website and at Borsa Italiana.

The Issuer has always committed to providing timely and easy access to information relevant to its shareholders, for example by publishing it on its website.

In accordance with Recommendation 3 of the CG Code, on 27 February 2023, the Company's Board of Directors approved and adopted a Policy to Manage Dialogue with Shareholders and the Financial Community, in order to bring the rules of corporate governance and management of dialogue with Shareholders into line with the principles set out in the CG Code.

This Policy:

- identifies and governs dialogue between the Board of Directors and the investors' representatives outside meetings on issues within the Board's remit;
- defines the rules of this dialogue, identifying the counterparties, the criteria for assessing requests, the topics to be discussed, internal governance processes, timing and channels of interaction.

Lottomatica acts with the utmost diligence and transparency, ensuring, through efficient and effective processes, compliance with the laws and regulations in force, with the principles and criteria established by the Policy for the benefit of equal treatment of investors and, more generally, of the integrity of the markets.

Specifically, pursuant to the Policy to Manage Dialogue with Shareholders and the Financial Community, the Company operates in accordance with the following principles:

- the principle of transparency, clarity and timeliness of information provided in the dialogue, whereby the information provided should be clear, complete, correct, truthful and not misleading;
- the principle of equal treatment of the holders of financial instruments issued by the Lottomatica Group;
- compliance with the legal and regulatory provisions in force from time to time, including the provisions on market abuse, as well as the internal rules of governance, ensuring in any case the application of the principles of cooperation and transparency with the supervisory authorities and competent administrations.

As a rule, the topics discussed in the dialogue with the Shareholders include:

- a) the Company's corporate strategy and future growth path
- b) corporate governance, such as aspects relating to the corporate governance system, the appointment and composition of the Board of Directors, also in terms of size, professionalism, integrity, independence and diversity, the composition, duties and functions of board committees, the succession plan for the CEO and any other executive directors, etc;
- c) social and environmental sustainability;
- d) policies on the remuneration of directors and key managers and their implementation;
- e) the internal control and risk management system.

In contrast, the Policy to Manage Dialogue with Shareholders does not cover aspects relating to the Shareholders' Meeting, as these are governed by laws and regulations and the Bylaws.

The aim of this Policy is to increase the level of transparency and engagement of investors, as promoted by the Shareholder Rights Directive II with respect to institutional investors and asset managers, as a functional tool to ensure the sustainable success of the Lottomatica Group, which is embodied in the creation of long-term value for the benefit of Shareholders, taking into account the interests of all other stakeholders and the environmental, social and economic impacts of its operations.

The Policy to Manage Dialogue with Shareholders and the Financial Community is available on the Company's website at the following link: [Governance \(lottomaticagroup.com\)](https://www.lottomaticagroup.com/governance).



### 13.0. SHAREHOLDERS' MEETINGS

Pursuant to article 12 of the Bylaws, Shareholders' Meetings shall resolve upon all the items assigned to their competence by law and the Bylaws. Shareholders' resolutions, which shall be passed in accordance with the law and the Bylaws, shall be binding on all Shareholders, including non-attending or dissenting Shareholders.

Pursuant to article 8 of the Bylaws, the Board of Directors may determine, in accordance with and within the limits of the applicable regulations, that the Meeting shall be held exclusively by means of telecommunication, omitting the indication of the physical place where the meeting is to be held, giving notice thereof in the notice of call of the Meeting. Ordinary and Extraordinary Shareholders' Meetings shall, as a rule, be held in a single call as required by the law. However, the Board of Directors may determine, if it deems it advisable and giving express indication in the notice of call, that the Ordinary and Extraordinary Shareholders' Meetings shall be held following more than one call.

The right to participate in Shareholders' Meetings and to exercise voting rights is governed by the laws and regulations in force.

Persons vested with voting rights may be represented at Shareholders' Meetings for all legal purposes, by means of a proxy issued under the procedures provided for by the laws and regulations in force. The Company may also receive notice of the proxies electronically, in compliance with the procedures described in the call notice.

The Company has the power not to designate the representative designated pursuant to the CFA to whom the eligible persons can give a proxy with voting instructions.

Pursuant to article 11 of the Company's Bylaws, Shareholders' Meetings are chaired by the Chair of the Board of Directors or, if they are absent or unable to attend, by the Vice-Chair (if appointed and in attendance); alternatively, the Shareholders' Meeting elects its own Chair.

The Chair of the meeting is assisted by a Secretary, who may or may not be a Shareholder, designated by those present and may appoint one or more vote tellers. In the cases provided for by law, or when the Chair deems it to be suitable, the minutes shall be drawn up by a notary public selected by the Chair, who shall act as the Secretary.

Shareholders' resolutions shall be reported in the relevant minutes, drawn up in accordance with the laws in force from time to time, and signed by the Chair and the Secretary or by the notary selected by the Chair.

During the year, the Shareholders met four times, all prior to the listing in order to carry out the preparatory activities, to the extent of their remit, for the admission of the Issuer's securities to trading.

The Shareholders met on 9 February to reorganise the Board of Directors and better manage the phase immediately preceding the listing.

On 27 February 2023, the Shareholders met both in an ordinary and extraordinary session to change the company name and approve the new Bylaws in view of the listing. In this respect, the Shareholders approved the financial statements at 31 December 2022 and the application for listing. Consequently, they renewed the engagement of the Independent Auditors and extended it in the event of listing, and approved and appointed a new BoD subject to the listing. The Shareholders also adopted Shareholders' Meetings Rules that govern ordinary and extraordinary Shareholders' Meetings and, *mutatis mutandis* and if bonds are issued, the meetings of Lottomatica Group bondholders. These Rules cover: attendance, participation and assistance at the Meeting; verification of the right to attend the Meeting and to access the meeting rooms; constitution of the Shareholders' Meeting and opening of the discussion; the agenda; interventions and responses; suspension and postponement of the Meeting; powers of the Chairperson; the voting process.

This document is available on the Issuer's website at:

<https://lottomaticagroup.com/en-us/home/regolamento-delle-assemblee-degli-azionisti>

On 15 March 2023, the Shareholders set the total remuneration of the Board of Directors, appointed a new Board of Statutory Auditors subject to the listing, and approved the management incentive plan (see the Remuneration Report). Finally, the Shareholders also met on 28 March 2023 to entrust the BoD with the power to approve a capital increase to service a stock option plan (see 2.0. letter i), an in-kind capital increase to complete an extraordinary transaction disclosed to the market, and a capital increase to service the listing. Consequently, it resolved to further amend the Bylaws.

The extraordinary transaction entailed the subscription of a capital increase by a minority shareholder of a group subsidiary, who contributed in kind all the shares held in the subsidiary to the Issuer's capital.

## 14.0. ADDITIONAL CORPORATE GOVERNANCE PRACTICES

### ESG governance

The Issuer plans to achieve optimal economic performance within a structured strategy that also considers the impact on people and the planet, fully integrating sustainability drivers into daily business decisions. For this reason, an ESG Committee was set up on a voluntary basis, as discussed in section 6, which is one of the key elements of a more complex ESG governance structure, which also includes:

- (i) a “Company’s Operational/Management Sustainability Committee” with preliminary, propositional and consultative functions to support the Board of Directors on sustainability issues, specifically with respect to the evolution of trends and the adequacy of the identified strategic guidelines. Furthermore, the committee is responsible for developing the ESG strategy, the Sustainability Plan and related programmes, defining ESG targets and monitoring initiatives and related KPIs. It coordinates with the Board Committee and includes department heads;
- (ii) a “Responsible Gaming Committee” which promotes the increased integration between business processes and the Responsible Gaming Programme, ensuring the continuous improvement of the latter and the achievement of the expected results;
- (iii) a “Diversity & Inclusion Committee” which defines and implements strategies that promote an increasingly inclusive and respectful corporate culture;
- (iv) an “ESG Office” that coordinates, oversees and monitors the implementation of the Sustainability Plan initiatives.

Based on the above, in addition to the preparation of a NFS pursuant to Legislative decree no. 254/2016, the Issuer also prepares an annual Sustainability Report to describe and document its commitment to generating sustainable and long-term value, reporting each year on the main results achieved and the ESG impacts of its business activities.

The voluntary set-up of an ESG Board Committee (section 6), the broader ESG governance structure described above, and the preparation of the Sustainability Report confirm the Issuer’s commitment to integrating its business model with specific medium- to long-term objectives that generate sustainable value over time, both in terms of economic/financial and sustainability performance.

### Tax Control Framework

As discussed in section 9.0.2., the Issuer voluntarily implemented a system to identify, measure, manage and control the tax risk (the “Tax Control Framework” or the “TCF”), in line with the guiding principles and criteria drawn up by the OECD and implemented by internal regulations.

The Tax Control Framework consists of the set of procedures, tools, organisational units, standards and company rules that allow, through an adequate process of identification, measurement, management and monitoring of the main tax risks, a business conduct that minimises the risk of operating in breach of tax regulations, or in contrast with the principles or purposes of the law.

Specifically, the Issuer conducted a tax risk assessment and adopted a Tax Strategy, defining the roles and responsibilities of the various bodies and parties involved in tax compliance management by implementing policies and procedures relating to the company processes affected by taxation, also by setting up mechanisms to monitor the internal controls aimed at containing tax risks. The Company also committed to producing a periodic report on the effectiveness of the TCF for the Board of Directors.

The TCF also affects the Issuer’s governance following the identification of a body responsible for the implementation of the TCF (the Tax Risk Management) and of a reference person (the Tax Risk Manager).

The Tax Risk Management is responsible for implementing and updating Lottomatica’s TCF to reflect major changes in the business, governance and business models, as well as changes in the legal and economic environment in which the Group operates.

Specifically, the Tax Risk Management periodically checks the adequacy and effective application of Lottomatica’s TCF in line with the Group’s Tax Strategy and the applicable principles and guidelines.

The members of the Group’s Tax Risk Management are appointed by resolution of the BoD, in the interest of all group companies, and their term of office lasts one year without tacit renewal. The Tax Risk Management is characterised by the coexistence of internal members of the Group, as well as one or more external professionals, with experience in national and international tax issues.

### Anti-Money Laundering Governance

The Issuer adopted an Anti-Money Laundering (AML) and Countering the Financing of Terrorism (CFT) Policy which covers all Lottomatica Group entities, to which specific AML & CFT procedures also apply.

This Policy, which is based on the risk-based approach principle, identifies and implements risk mitigation and management measures on AML/CFT matters and defines guidelines and adequate training for employees and third

parties operating with the various group entities. To this end, the roles and responsibilities of those potentially exposed to risks are defined, as well as the requirements and operating methods for the performance of the respective activities. Finally, the AML & CFT Policy and procedures are supported by sophisticated IT systems that guarantee effective safeguards and controls in compliance with the regulations.

## 15.0. CHANGES AFTER THE REPORTING DATE

There have been no changes in the corporate governance structure of the Company since the reporting date, except for that already discussed in the previous sections.

With respect to that stated in section 2.0 about the composition of the share capital at the last trading day of the Year, it is noted that, as far as the Company is aware, at the Date of the Report, the share capital was divided among the shareholders as follows:

<b>RELEVANT SHAREHOLDERS</b>			
<i>Disclosing subject</i>	<i>Direct Shareholder</i>	<i>% on ordinary share capital</i>	<i>% on voting share capital</i>
Sambur David Benjamin (as senior partner of Apollo Global Management, Inc. and sole shareholder of Gamma Management Llc, which indirectly controls Gamma Intermediate Sarl)	Gamma Intermediate S.à r.l.	65.4%	65.4%
Capital research	CAPITAL RESEARCH AND MANAGEMENT COMPANY	5.1%	5.1%
Morgan Stanley	MORGAN STANLEY & CO. INTERNATIONAL PLC	5.0%	5.0%

*The information above has been provided on the basis of the data made public by the shareholders through Communications 120 and on the basis of the data in possession of the Company at the Report Date.*

## 16.0. CONSIDERATIONS ON THE LETTER OF THE CHAIR OF THE ITALIAN CORPORATE GOVERNANCE COMMITTEE

The BoD examined the recommendations made in the letter sent by the Chair of the Italian Corporate Governance Committee for 2023 on 19 September 2023.

The first recommendation refers to the Committee's invitation to all listed companies to adopt a policy to manage the dialogue with shareholders and that enables investors to start dialogue. The Company fulfilled this recommendation as its "Policy to Manage Dialogue with the Shareholders and the Financial Community" provides for the possibility of on-demand meetings, visits to the company, as well as social channels.

With respect to the recommendation in which the Committee invited issuers to provide information on the criteria and approach to the dialogue with other relevant stakeholders, the Company fulfilled this recommendation through this Report.

The Committee's further recommendation on the need for issuers to adopt a procedure to manage pre-board information was welcomed by the Company, which, already in view of the listing, adopted a Board of Directors' Regulation providing for adequate and timely information to directors in view of Board meetings, including the provision of the relevant documentation. The Issuer has also created a digital portal that helps Directors access and consult the relevant documentation.

These Rules also govern the cases where corporate departments and managers are involved in Board meetings, specifically when they have to provide insights into the items on the agenda. Accordingly, these Rules also fulfil the Committee's recommendation inviting issuers to define when and how managers should participate in Board meetings. The Committee made a recommendation on the need for companies to set quantitative and qualitative criteria to determine a director's independence, assessing the significance of commercial, financial or professional relationships. The Issuer noted that it already complies with this recommendation as it has adopted a "Policy on qualitative and quantitative criteria for assessing independence requirements pursuant to article 2, Recommendation 7.1.c) and d) of the CG Code" in view of the listing, which assesses the independence of the members of the Board of Directors and the Board of Statutory Auditors.

The Committee also made three additional recommendations on remuneration. Specifically: (i) to include a table in the remuneration report summarising the remuneration package of the CEO and other executive directors; (ii) to consider including a variable portion with a long-term time horizon in the remuneration policies, in line with the Company's objectives; (iii) to include sustainability targets in the incentive mechanism for the CEO and other executive directors. The Company welcomed the above recommendations and decided to implement them via its remuneration policy.

The Company did not consider the other recommendations included in the letter as they were not applicable. Reference is made, in particular, to the recommendation on the delegation of powers to the Chair of the BoD - a case that does not apply the Company - and the recommendation on the importance for the BoD to express an opinion on the optimal composition of the Board in view of its renewal. Once again, this case does not apply as the BoD is not to be renewed.

On 15 January 2024, the Board of Statutory Auditors and the CR Committee examined the recommendations included in the letter sent by the Chair of the Italian Corporate Governance Committee for 2024. The BoD examined these recommendations on 1 February 2024.

With respect to the Committee's recommendation to describe how the BoD was involved in the definition of the Company's business plan, the Board of Directors noted that, during the meeting held on 9 February 2023, it had approved a business plan referred to and described, also in terms of its preparation, in the Prospectus published in connection with the listing.

With respect to the Committee's recommendation to justify any exceptions to the timeliness of pre-board disclosures for confidentiality reasons, the BoD noted that it had not adopted any specific provision in this respect and that there were no cases in which disclosures had been affected or altered for such reasons. In fact, under the Rules for the Board of Directors, the Directors must comply with their duties of confidentiality with respect to the content of the documents and the information obtained as part of their activities.

Furthermore, with respect to pre-board reporting, the BoD substantially complies with the rules of conduct indicated in the letter.

According to the BoD, the recommendation on loyalty shares did not apply to the Issuer. Under such recommendation, issuers were invited to disclose any proposals of the administrative body to the shareholders' meeting about the introduction of loyalty shares, specifying the intended purpose and expected effects. No such proposal has been made by the Issuer. Therefore, the BoD did not express an opinion on this point. Even the recommendation on the optimal composition of the board, in which the Committee invited the BoD of issuers to express an opinion on the optimal composition of the board in view of its renewal or to justify its absence, was not followed up. Indeed, the Company which, moreover, falls under the category of "companies with concentrated ownership", does not plan to renew the Board in the current year.

## ANNEX 1

**Andrea Moneta** is Senior Advisor for Italy and Operating Partner Financial Services at Apollo Global Management since 2015.

In these capacities, he promotes and coordinates Apollo's businesses in the Italian market, and serves on the Boards of the affiliates/portfolios companies Athora Italy (Chairman), Lottomatica (Chairman), Reno De Medici (Chairman) and SLS Holdco d.d. (Member).

Before joining Apollo Mr. Moneta worked, inter alia, as: Executive Member of the Board of Directors and CEO EMEA for Aviva Plc; Group Deputy CEO, CEO Central and Eastern Europe; CEO Private Banking and Asset Management, and Group CFO for UniCredit SpA; Head of Strategic Planning for the European Central Bank.

He also held executive and non-executive board positions in more than 35 listed and non-listed companies across several Western European countries, CEE, Ukraine, Russia, Turkey and the Middle East.

Mr Moneta holds honours degrees in Politics and Economics and in Business Administration from the University Federico II and is qualified as Dottore Commercialista (Ministry of University and Research) and Revisore Contabile (Ministry of Justice).

**Guglielmo Angelozzi** joined Lottomatica in August 2014 (at that time Gamenet) as Chief Executive Officer. He was the Chairman of the Association of Gaming State Concessionaires (ACADI), which is part of Confindustria, from July 2015 to May 2018.

Previously, Mr. Angelozzi served in IGT as CEO for gaming machines and senior vice president of online in Italy. Prior to that, he also served as a consultant in Bain & Company, where he managed several projects in the entertainment, media, ICT and pharmaceuticals sectors, and in Accenture where he worked in a number of consulting projects for international institutions.

Mr. Angelozzi graduated magna cum laude with a master's degree in computer science engineering at University of Bologna and achieved an MBA from the School of Management of Bocconi University in Milan.

**John Paul Maurice Bowtell** is an experienced director with highly relevant industry experience, having spent eight years in the gaming sector serving as Chief Financial Officer for GVC Holdings Plc, one of Europe's largest gaming businesses, after the acquisition of Ladbrokes Coral Group Plc, where for three years he was the president at subsidiary Eurobet, one of Italy's largest gaming businesses. Prior to that, Mr. Bowtell was Chief Financial Officer of First Choice Holidays PLC and became Chief Financial Officer of TUI Travel PLC after its merger with First Choice Holidays PLC in 2007. He previously held a number of senior positions with Centrica, WHSmith and Forte. Mr. Bowtell has been a Non-Executive Director of a number of listed and non-listed companies and is currently a senior advisor to Alchemy, a special situations private equity fund, where he chairs a number of their businesses. He is a chartered accountant and holds an M.A. from Cambridge University.

**Nadine Faruque** started her career as a lawyer in private practice in 1990 as an associate with Reid & Priest in the M&A department in New York and subsequently, legal consultant for Faruque Ltd, Karachi (Pakistan) before joining Baer&Karrer in Zurich, Switzerland in September 1992 where she was a senior associate/partner elect, covering M&A, capital markets, banking and financial institutions. In March 1998 she joined Merrill Lynch International in London where she held various senior roles in the Office of General Counsel, including that of general counsel and Head of Continental Europe. In October 2008, she took the role of General Counsel and Group Compliance Officer of the Unicredit Group where she was a member of the Unicredit Group management board as well as the Group Executive, Group Risk and Group Credit committees before joining Deutsche Bank AG Frankfurt in December 2014 as Global Head of Compliance and where she was as a member of the Group Executive Committee, the Group Risk Committee, Group Reputational Risk Committee and the Global Incident Management Committee. Following her departure from Deutsche Bank, she was a member of the Supervisory Board and the Risk Committee of Luminor AB from January 2019 to July 2019 and has been an industrial adviser of EQT Partners for compliance and regulatory matters on specific projects. Currently she is a member of the Board of Directors of Banco BPM S.p.A. and a member of the Internal Controls, Risk and Sustainability Committee and serves on the Advisory Board of the MIB programme of the University Cattolica in Milan. Ms Faruque graduated from the University of Bern School of Law and holds the title of Fuersprecher and an LLM (Masters in Law) from Duke University School of Law (North Carolina); she is admitted to the Swiss as well as the New York bar.

**Catherine Renee Anne Guillouard** started her career at the Ministry of Finance, French Treasury working for the Africa Zone Department - CFA and later in the Office of Banking Affairs. She joined Air France to prepare the IPO in 1997 and hold various senior executive positions including CFO between 2005-2007. She also held the position of Chief Financial Officer and member of the Group Executive Committee at Eutelsat, a leading satellite in Europe, the Middle East and

Africa. Subsequently, Mrs. Guillouard joined Rexel as Chief Financial Officer and Group Senior Vice President. From May 2014 to February 2017, she was Deputy Chief Executive Officer. Appointed in 2017 by decree of the President of the French Republic, she has been, up to September 2022, Chairwoman and CEO of RATP, a French public industrial and commercial body at the head of one of the major industrial groups active in the public transport sector. Previously, she has been a board member of Technicolor, Aéroport de Paris and Engie. Currently, Mrs. Guillouard is a board member of Airbus S.E. as well as Chairwoman of the Audit Committee and member of the Ethics, Compliance, Sustainability Committee. She was a board member of KPN as well as Chairwoman of the Audit Committee and member of the Governance, Strategy Committee until April 2023. She has been appointed chairperson of the Ingenico S.A. board on September 30, 2022. Recently, it has been announced her appointment as member of the board of directors of Air Liquide S.A.

**Augusta Iannini** served as judge in Italy. During her career within the judicial system she has held numerous relevant positions, including those of investigating judge and judge for preliminary investigations. She has also served in the Ministry of Justice as Deputy Chief of the Cabinet, Director General of Criminal Justice, and Head of the Department of Justice Affairs. From 2012 to 2020, she served as vice president of the Data Protection Authority where she served as Vice President. She is author of numerous papers and attended several conferences. In 2009 she was awarded the Bellisario Prize for Justice. She holds positions as a member of boards of companies, among which SNAM S.p.A. She is chairman of the advisory board of the Lottomatica Foundation.

**Marzia Mastrogiacomo** is a business executive with over 25 years' experience with multinational and national companies in different industries for complexity and stakeholders: FMCG, Financial and Payment Services, Regulated Markets and Concessions cooperating with Public Administrations. She was CEO of two public gaming concessionaires part of the IGT Group where she was responsible for Lotto and Gratta & Vinci business. In recent years, after taking a specific training at business schools of Cambridge and Berkeley, Ms. Mastrogiacomo has been mastering Sustainability, Innovation and Digital Transformation impacts and opportunities for corporations. She is strategic consultant with specific focus on the integration of ESG issues in business strategies, organizations, and corporate operational processes.

**Gaia Mazzalveri** has 30 years of experience in Investment Banking and Financial Markets. Ms Mazzalveri has an important track record in mergers and acquisitions, ECM and DCM transactions in the Financial Institutions sector, having assisted all the main financial, banking and insurance companies, private equity funds, companies operating in the para-banking sector, Banking Foundations and institutions particularly in Italy, as well as operating in some industrial sectors. Ms Mazzalveri was Co-Head of Investment Banking at Equita Sim, Assistant to the Chief Executive Officer at Banco Popolare, Executive Director at Morgan Stanley, Head of FIG at Mediobanca and Senior Associate at Ernst & Young. She was also a member of the Board of Directors of Atlantia, Datalogic, Alba Leasing, Bormioli Rocco and Esperia SGR. In 2020 Ms. Mazzalveri joined Vitale&Co. S.p.A. as partner.

**Michele Rabà** is a Partner at Apollo having joined in 2010. Since he joined Apollo, Mr. Rabà has been involved in various private equity transactions, including Gala Coral, Braas Monier, Watches of Switzerland, Nova KBM d.d., Oldenburgische Landesbank AG, Gamenet Group, Lottomatica, Reno De Medici, Allwyn AG (formerly known as Sazka Entertainment AG) and Ingenico Group.

Mr. Rabà currently serves as a director of Poseidon Holdco S.A.S. (Ingenico Group), Reno De Medici S.p.A., Oldenburgische Landesbank AG, Biser Holdings Limited, SLS Holdco, holdinška družba, d.o.o. and Lottomatica S.p.A.

Mr. Rabà is a former board member of Watches of Switzerland, Nova KBM d.d., Abanka d.d., Allwyn AG / Allwyn International a.s., and KBS Banka d.d., among others.

Prior to joining Apollo, Mr. Rabà was with Goldman Sachs International in the Financial Institutions Group within the Investment Banking Division, based in London. Mr. Rabà graduated from Bocconi University where he earned both his BA in Financial Institutions and Markets and his MSc in Finance. In 2019, Mr. Rabà was selected by Private Equity News and Financial News as one of the 25 rising stars of European private equity.

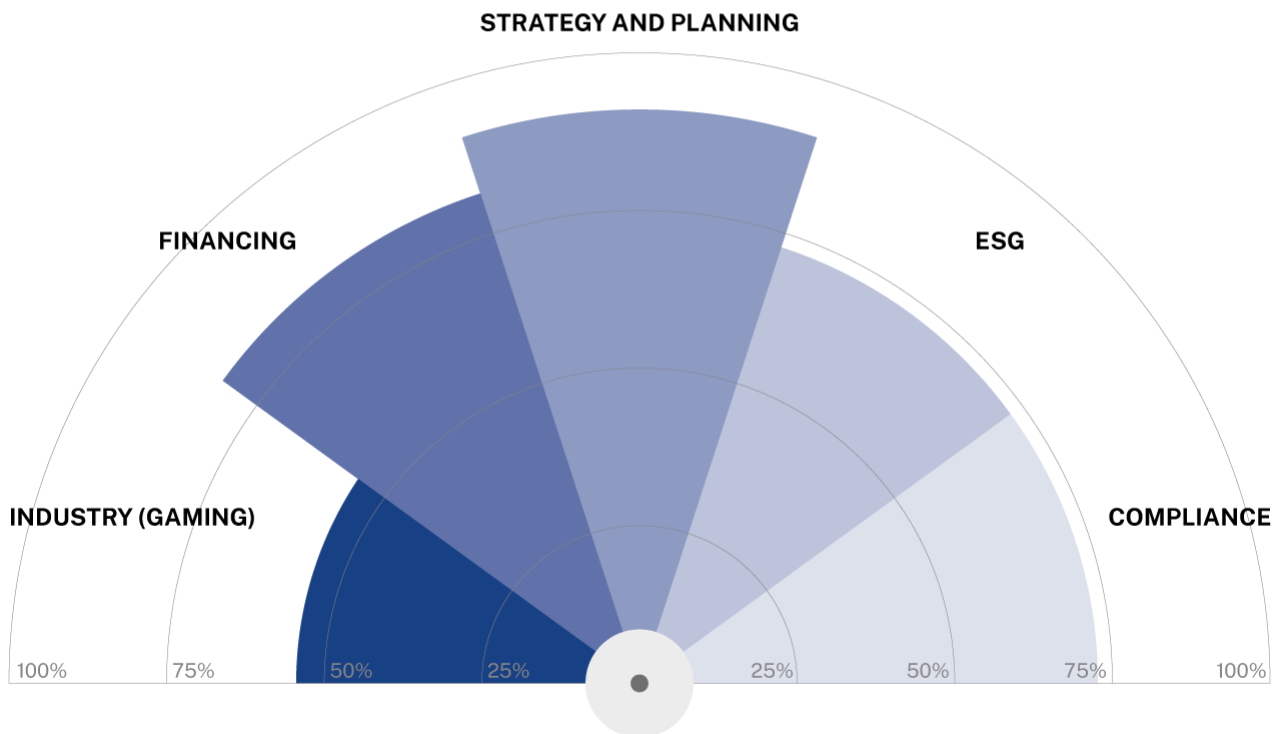
**Michael Ian Saffer** is a Senior Principal in the London Private Equity team at Apollo, having joined in 2015. Prior to joining Apollo, he was a member of the M&A group at Credit Suisse in London. Mr. Saffer has been involved in various private equity transactions, including Oldenburgische Landesbank, Catalina Holdings (Bermuda) Limited, Aspen Insurance Holdings Limited, Covis Group S.à r.l and Lottomatica. Mr. Saffer is currently also on the board of directors of Aspen Insurance Holdings Limited, Gamma Intermediate s.à r.l., and Highlands Bermuda Holdco Ltd., Mr. Saffer graduated from the University of Nottingham with a BSc in Economics.

**Yulia Shakhova** is a Principal in the London Private Equity team at Apollo, having joined in 2018. Prior to that time, Ms. Shakhova was a member of the Financial Institutions Group at Citigroup Global Markets, spending time both in

London and New York. Ms. Shakhova has been involved in various private equity transactions, including Nova KBM, Gamenet, Lottomatica, and Ingenico. Ms. Shakhova is currently also on the board of directors of Poseidon Holdco S.A.S. and Summit Leasing Slovenia Holdco d.o.o. Ms. Shakhova graduated from University of London, London School of Economics International program with a First Class Honors BS degree in Banking and Finance and received her Master's degree in Finance/Asset Management from Brandeis International Business School.



## Skills dissemination among the members of the Board of Directors of Lottomatica Group



## ANNEX 2

**Andrea Lionzo** is full professor of Business Administration at the School of Banking, Finance and Insurance Sciences at Università Cattolica del Sacro Cuore, Milan. He is a Chartered Accountants and Auditor. He holds a PhD in Business Administration from Ca' Foscari University and a Master in Business Administration from Fondazione CUOA. He previously graduated with honors in Business Administration from University of Verona.

His main professional and research interests focus on financial accounting, corporate governance and business valuation. He is the author and co-author of numerous books and articles on these topics.

He has gained significant experience in the field of company valuations and corporate operations of an extraordinary nature, in assistance in legal matters brought before judicial authorities or arbitration panels, in corporate information (financial and consolidated financial statements, interim reports, sustainability), as well as in technical consultancy in civil and criminal matters.

He is a member of the Academic Panel of the EFRAG (European Financial Reporting Advisory Group), of the IFRS Group of the OIC (Organismo Italiano di Contabilità) and of the Advisory Board of the OIBR Foundation (Organismo Italiano di Business Reporting, focused on ESG).

He is member of the Board of Statutory Auditors of Cereal Docks S.p.A. and Palladio Group S.p.A., and Chairman of the Board of Statutory Auditors of Federlegno Arredo Eventi S.p.A. and Schenker Italiana S.p.A., and he is independent director of Payden Global SIM S.p.A.

**Giancarlo Russo Corvace** is enrolled in the order of chartered accountants and accounting experts of Rome and in the register of auditors. Mr. Corvace serves as a member of the board of statutory auditors of Reno de Medici S.p.A., Italiaonline S.p.A., Acea Energia S.p.A., Feralpi Holding S.p.A. and Feralpi Siderurgica S.p.A.. Moreover, he was involved in the A.S. Roma S.p.A. IPO, privatization of Aeroporti Roma S.p.A., transfer of Biondi-Santi S.p.A. and other restructuring and project financing transactions.

He graduated in economics from the Libera Università degli Studi Sociali di Rome and holds a master's in business administration from University of Turin.

**Veronica Tibiletti** is full professor of Business Economics at the University of Parma after obtaining a degree in Economics and Commerce and a PhD in Determination and Communication of value in companies at the University of Parma. He is President of the master's degree course in Administration and Business Management at the University of Parma.

She is the author of numerous publications in national and international journals on corporate governance and sustainability and a speaker at conferences particularly on ESG issues. She is a member of the Editorial Committee of international journals. Ms. Tibiletti has participated in Projects of Significant National Interest (PRIN) on international accounting standards and the economics of business groups.

Ms. Tibiletti is a member of the Scientific Technical Committee of the Association "Italian Network of Universities and Research Institutions for Public Engagement - APEnet", designated by ACRI (Association of Foundations and Savings Banks). She is also member of the ACRI Sustainable Development Commission. Ms. Tibiletti has been appointed representative of the University of Parma in the "University for Industry (U4I)" WG, established by the RUS - Network of Universities for Sustainable Development.

Ms. Tibiletti is a chartered accountant and statutory auditor. She has held and still holds positions in the administrative and supervisory bodies of relevant Italian companies and associations. In particular, he is currently an independent director of CDP Real Asset SGR and a member of the board of auditors of the Fondazione Cariparma.

TABLE 1: INFORMATION ON OWNERSHIP AS AT 31/12/2023

SHARE CAPITAL				
	N° shares	N° voting rights	Markets where shares are listed	Rights and burdens
Ordinary Shares	251.630.412	251.630.412	Listed on Euronext Milan	Rights granted as per the bylaws and the applicable law.
Preferred shares	N/A	N/A	N/A	N/A
Multiple voting shares	N/A	N/A	N/A	N/A
Other categories of shares with voting rights	N/A	N/A	N/A	N/A
Saving shares	N/A	N/A	N/A	N/A
Convertible saving shares	N/A	N/A	N/A	N/A
Other categories of shares without voting rights	N/A	N/A	N/A	N/A
Other	N/A	N/A	N/A	N/A

OTHER FINANCIAL INSTRUMENTS (granting the right to subscribe newly issued shares)				
	Markets where instruments are listed	N° outstanding instruments	Categories of shares issued for the conversion/exercise	N° of shares issued for the conversion/exercise
Convertible bonds	N/A	N/A	N/A	N/A
Warrant	N/A	N/A	N/A	N/A

RELEVANT SHAREHOLDERS			
Disclosing subject	Direct Shareholder	% on ordinary share capital	% on voting share capital
Sambur David Benjamin (as senior partner of Apollo Global Management, Inc. and sole shareholder of Gamma Management Llc, which indirectly controls Gamma Intermediate Sarl)	Gamma Intermediate S.à r.l.	71.8%	71.8%
Morgan Stanley	Morgan Stanley & Co. International PLC	5.1%	5.1%

*The information above has been provided on the basis of the data made public by the shareholders through Communications 120 and on the basis of the data in possession of the Company at the Report Date*

TABLE 2: COMPOSITION OF THE BOPARD OF DIRECTORS AT THE END OF THE YEAR

Board of directors													
Role	Member	Year of birth	Date of first appointment (*)	In the office from	In the office until	Slate (sponsors) (**)	Slate (M/m) (***)	Esec.	Non- esec.	Indep. Code	Indep. CFA	N. other offices held (****)	Meetings attendance (*****)
Chairman	Moneta Andrea	1965	12 December 2019	3 May 2023	Approval of the financial statements as at 31.12.2025	N/A	N/A	-	X	-	-	0	15/15
Chief Executive Officer •	Angelozzi Guglielmo	1972	9 February 2023	3 May 2023	Approval of the financial statements as at 31.12.2025	N/A	N/A	X	-	-	-	0	14/15
Director	Bowtell John Paul Maurice	1968	9 February 2023	3 May 2023	Approval of the financial statements as at 31.12.2025	N/A	N/A	-	X	-	-	0	14/15
Director	Faruque Nadine	1960	27 February 2023*****	3 May 2023	Approval of the financial statements as at 31.12.2025	N/A	N/A	-	X	X	X	1	10/10
Director	Guillouard Catherine Renee Anne	1965	9 February 2023	3 May 2023	Approval of the financial statements as at 31.12.2025	N/A	N/A	-	X	-	-	3	15/15
Director	Iannini Augusta	1950	27 February 2023*****	3 May 2023	Approval of the financial statements as at 31.12.2025	N/A	N/A	-	X	X	X	1	10/10
Director	Mastrogiacomo Marzia	1970	27 February 2023*****	3 May 2023	Approval of the financial statements as at 31.12.2025	N/A	N/A	-	X	X	X	0	9/10

<b>Director</b>	Mazzalveri Gaia	1970	27 February 2023*****	3 May 2023	Approval of the financial statements as at 31.12.2025	N/A	N/A	-	X	X	X	0	9/10
<b>Director</b>	Raba' Michele	1984	18 October 2019	3 May 2023	Approval of the financial statements as at 31.12.2025	N/A	N/A	-	X	-	-	2	15/15
<b>Director</b>	Saffer Ian Michael	1992	18 October 2019	3 May 2023	Approval of the financial statements as at 31.12.2025	N/A	N/A	-	X	-	-	3	13/15
<b>Director</b>	Shakhova Yulia	1993	9 February 2023	3 May 2023	Approval of the financial statements as at 31.12.2025	N/A	N/A	-	X	-	-	1	15/15
<b>DIRECTORS RESIGNED DURING THE YEAR</b>													
<b>Director</b>	Cassano Michela	1987	12 December 2019	9 February 2023	NOTE: Resigned before the listing and the publication of the prospectus.							0/0	

**Number of meetings held during the Year: 15 (10 of which were subsequent to the listing on Euronext Milan market)**

**Quorum for minority shareholders to submit a list for the appointment of directors (ex art. 147-ter CFA): 1,0%**

**NOTE**

• Director in charge of the system of internal control and management of risks.

(\*) Date in which the director was appointed in the very first place as member of the Board of Directors of the Issuer.

(\*\*) The column shows whether the director was a candidate of the Board of Directors' slate or a Shareholders' slate. The Board of Directors has been appointed before the rules on listed companies were applicable to the Company. Therefore the slate system has not been adopted and it was not possible to determine from which slate the directors came from.

(\*\*\*) M = majority; m = minority. The Board of Directors has been appointed before the rules on listed companies were applicable to the Company. Therefore the slate system has not been adopted and it was not possible to determine a majority and a minority among shareholders.

(\*\*\*\*) Number of offices held in other companies which are either listed or have net assets for more than 1 bln euro. Offices are explicitly disclosed in Annex 1.

(\*\*\*\*\*) Meetings attended on the total of the meetings held.

(\*\*\*\*\*) The appointment was under the condition precedent of the Company to be listed on Euronext Milan Market. The condition was fulfilled on 3 May 2023

TABLE 3: COMPOSITION OF BOARD'S COMMITTEES AT THE END OF THE YEAR

B.o.D.		Related Parties Committee		Risk and Control Committee		Appointment and Remuneration Committee		ESG Committee	
Role	Members	(*)	(**)	(*)	(**)	(*)	(**)	(*)	(**)
Non-executive Chairman	Moneta Andrea	-	-	-	-	-	-	-	-
CEO	Angelozzi Guglielmo	-	-	-	-	-	-	-	-
Non-executive Director	Bowtell John Paul Maurice	-	-	<b>4/4</b>	<b>M</b>	-	-	-	-
Independent Director	Faruque Nadine	<b>2/2</b>	<b>M</b>	-	-	<b>3/3</b>	<b>C</b>	<b>2/2</b>	<b>M</b>
Non-executive Director	Guillouard Catherine Renee Anne	-	-	-	-	-	-	<b>2/2</b>	<b>M</b>
Independent Director	Iannini Augusta	<b>2/2</b>	<b>C</b>	<b>4/4</b>	<b>M</b>	-	-	-	-
Independent Director	Mastrogiacomo Marzia	-	-	-	-	<b>3/3</b>	<b>M</b>	<b>2/2</b>	<b>C</b>
Independent Director	Mazzalveri Gaia	<b>2/2</b>	<b>M</b>	<b>4/4</b>	<b>C</b>	-	-	-	-
Non-executive Director	Raba' Michele	-	-	-	-	<b>2/3</b>	<b>M</b>	-	-
Non-executive Director	Saffer Ian Michael	-	-	-	-	-	-	-	-
Non-executive Director	Shakhova Yulia	-	-	-	-	-	-	-	-

TABLE 4: COMPOSITION OF THE BOARD OF STATUTORY AUDITORS AT THE END OF THE YEAR

Board of Statutory Auditors									
Role	Members	Year of birth	Date of first appointment (*)	In the office from	In the office until	List (M/m) (**)	Indep. Code	Meetings attendande (***)	N. other offices held (****)
Chairman	Lionzo Andrea	1969	15 March 2023	3 May 2023	Approval of the financial statements as at 31.12.2025	-	Sì	6/6	15
Effective auditor	Russo Corvace Giancarlo	1953	15 March 2023	3 May 2023	Approval of the financial statements as at 31.12.2025	-	Sì	6/6	20
Effective auditor	Tibiletti Veronica	1978	15 March 2023	3 May 2023	Approval of the financial statements as at 31.12.2025	-	Sì	6/6	10
Alternate Auditor	Frisullo Angela	1985	15 March 2023	3 May 2023	Approval of the financial statements as at 31.12.2025	-	Sì	-	4
Alternate Auditor	Incollingo Alberto	1966	15 March 2023	3 May 2023	Approval of the financial statements as at 31.12.2025	-	Sì	-	11



SINDACI CESSATI DURANTE L'ESERCIZIO						
<b>Chairman</b>	De Magistris Maurizio	1958	29 November 2019	8 April 2022	3 May 2023	NOTA: Resigned before listing.
<b>Effective auditor</b>	Di Donato Francesca	1973	29 November 2019	8 April 2022	3 May 2023	
<b>Effective auditor</b>	Collalti Andrea	1966	29 November 2019	8 April 2022	3 May 2023	
<b>Alternate Auditor</b>	Parisi Giovanni Tommaso	1972	29 November 2019	8 April 2022	3 May 2023	
<b>Alternate Auditor</b>	Izzo Maria Federica	1981	29 November 2019	8 April 2022	3 May 2023	

**Number of meetings held during the Year: 6**

**Quorum for minority shareholders to submit a list for the appointment of a statutory auditor (ex art. 148 TUF): 1,0%**

**NOTE**

(\*) Please note that Members of the Board of Statutory Auditors were appointed on 15 March 2023 under the condition precedent of the Company to be listed on Euronext Milan Market. The condition was fulfilled on 3 May 2023.

(\*\*) M = majority; m = minority. The Board of Statutory Auditors has been appointed before the rules on listed companies were applicable to the Company. Therefore the slate system has not been adopted and it was not possible to determine a majority and a minority among shareholders..

(\*\*\*) Meetings attended on the total of the meetings held.

(\*\*\*\*) Number of offices held that are relevant under art. 148-bis CFA. The full list of offices held is published, where applicable, on the website of Consob under art. 144-quinquiesdecies of Regolamento Emittenti Consob.