

The Lottomatica Group agrees to acquire 100% of Betflag, primary operator in the online gaming segment

- Lottomatica consolidates its presence in the Italian market and further enriches its brand portfolio

Rome, November 16 2022 – Lottomatica S.p.A. (“**Lottomatica**” and, together with its subsidiaries, the “**Lottomatica Group**”) announces that GBO S.p.A., a wholly owned subsidiary of Lottomatica, has signed today an agreement for the acquisition of 100% of the share capital of Betflag S.p.A (“**Betflag**”).

Betflag, a company authorized for the remote gaming and betting collection, is an Italian operator active in all segments of online gaming operations, with EBITDA in the last 12 months as of September 30, 2022 of approximately EUR 36 million.

The purchase price to be paid on the date of completion of the acquisition amounts to EUR 310 million, to be adjusted based on Betflag's net financial position as of that date. An additional contingent portion of the purchase price having a variable amount up to EUR 50 million may be paid in 2024 contingent upon Betflag's financial performance in calendar year 2023.

Betflag has a complete portfolio of authorized online games and may rely on an established and recognized brand in the market, as well as distinctive expertise in terms of product, marketing and customer service.

The transaction, which will be completed in the upcoming days, allows Lottomatica Group to consolidate its presence in the Italian market, particularly strengthening its position in the online casino games sector, and represents a key milestone for the Group's multi-brand strategy, aimed at ensuring full coverage of the different product verticals and the different player clusters.

The transaction will be financed with the release from escrow of the proceeds from Lottomatica's senior secured notes that were issued on September 27, 2022.

Moreover, thanks to this acquisition and by virtue of the specific features of Betflag, which will continue to be a separate and autonomous brand, Lottomatica will further enrich the group's brand portfolio and to combine the respective know-how and expertise.

Lottomatica SpA

Via degli Aldobrandeschi, 300, 00163 Roma, Italia
T +39 06 898651 F +39 06 8986559 info@lottomatica.com
Gruppo IVA 15432831004, Codice fiscale 13917321005
Capitale sociale € 32.300.625,00 i.v. REA RM 1482648

Lottomatica is the first group in the gaming market authorized by the Customs and Monopoly Agency in Italy and one of the major players in Europe. It is active in three main product areas: online games, sports betting, gaming machines. The Group can count on the expertise of over 1,500 direct employees and 16,000 people within the specialized franchising network. With approximately Euro 1.6 billion of revenues and Euro 22 billion of bet, Lottomatica offers safe and engaging gaming experiences across all sales channels. Lottomatica boasts a customer base of approximately 1 million online customers and manages the largest distribution network in the Italian gaming industry with more than 18,000 points of sales, including 6,000 specialised points of sales and 12,000 tobacconists and bars.

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