

An abstract background featuring dynamic, swirling brushstrokes in various shades of blue and white, creating a sense of movement and depth. The strokes are layered, with some appearing more prominent than others, giving the image a textured, painterly quality.

LOT TOM atica

Annual Report | 2024

LOTTOMatica

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Letter to Shareholders



A year of achievements
beyond expectations



Dear Shareholders,

2024 was a year of significant achievements for the Lottomatica Group. Our development path experienced an even more pronounced acceleration compared to the previous years, driven by strong organic growth and an effective acquisition strategy.

From a financial perspective, the results have exceeded expectations and are reflected in the excellent performance of the share price, which as of December 31, 2024, recorded a Total Shareholder Return (TSR) of 34% on an annual basis and 46% compared to the listing price in May 2023. Lottomatica thus outperformed not only in market indices but also its peers, enhancing its credibility both with equity and debt investors.

We are the largest gaming operator in Italy and the fourth largest in Europe. We closed 2024 with revenues of 2 billion euros, marking a 23% increase compared to 2023. Adjusted EBITDA stands at 707 million Euro, up 22% from 2023, while net debt amounts to 1.873 million Euro, with a leverage ratio of 2.4x.

In terms of competitive positioning, in 2024 the Group confirmed its leadership in the Online business, with over 30% market share, growing approximately twice as fast as the rest of the market, particularly in iSports and iGaming, the two most relevant segments with the highest growth potential in this sector. The same leadership result was also achieved in the other two business segments: in Sports Franchise, with over 40% market share, and in Gaming Franchise, with over 30%.

The excellent results were also made possible thanks to solid investments in technology and an increasingly advanced and conscious use of artificial intelligence. One of the major innovations introduced is the proprietary LAMP (Lottomatica Analytics Mesh Platform), which strategically integrates AI across all our business units, from customer care to logistics. The adoption of artificial intelligence not only enhances the efficiency of business processes but also contributes to sustainability and responsible gaming.

The acquisition of SKS365, now PWO, was the most significant transaction completed in 2024 and has further solidified our leadership in the gaming industry. The integration process is moving forward smoothly and, by the end of 2025, we will have completed all the projects that will lead to the synergies announced to the market.

Also this year, the Group's growth was accompanied by a strong commitment to sustainability. Among the projects undertaken in line with our Sustainability Plan, it is worth mentioning the development of our first Group environmental strategy (LESS - Lottomatica Environmental Sustainability Strategy), through which we aim to bring Scope 2 emissions almost to zero by the end of 2025; our participation in the Carbon Disclosure Project, a leading international organisation, which awarded our environmental performance a B rating; the ongoing investments in the well-being of our people, which earned us the Top Employer award for the second consecutive year; and the extension of the G4 certification for responsible gaming to our direct retail network. Additionally, as a major publicly traded Italian company, this year Lottomatica is the first organisation in the gaming sector, and one of the first in Italy, to publish a Consolidated sustainability statement in compliance with the Corporate Sustainability Reporting Directive (CSRD), implemented in Italy last September.

Our goals for 2025 are to strengthen our leadership position across all segments through product innovation and technology, further develop our omnichannel model, and efficiently manage the transition from retail to online, a market shift that still holds significant growth potential. This strategy is also in preparation for the upcoming tender for the renewal of online gaming licences, expected in the coming months.

We also confirm our strong commitment to sustainability, particularly in the areas of responsible gaming, employee satisfaction, and the mitigation of environmental impact.

*A heartfelt thanks goes to
our Shareholders,
the Board of Directors,
the management,
and all our colleagues who,
through their constant dedication,
enable the Lottomatica Group to achieve
outstanding results year after year.
Their commitment allows us to look to
the future with enthusiasm and the
ambition to always stay one step ahead.*

Andrea Moneta
Chairman



Guglielmo Angelozzi
Chief Executive Officer



Lottomatica

Consolidated Directors' report

1. Corporate bodies and external auditor

Board of Directors

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

(Appointed by the Shareholders' Meeting on 27 February 2023 and took office on 3 May 2023 until the approval of the financial statements as of 31 December 2025).

* Independent director pursuant to Article 147-ter, paragraph 4, and Article 148, paragraph 3, of the TUF and Article 2 of the Corporate Governance Code.

(a) Control and Risks Committee member.

(b) Appointments and Remuneration Committee member.

(c) Related parties Committee member.

(d) ESG Committee member.

Board of Statutory Auditors

Andrea Lionzo	Chairman
Giancarlo Russo Corvace	Auditor
Veronica Tibiletti	Auditor
Angela Frisullo	Alternative Auditor
Alberto Incollingo	Alternative Auditor

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

Independent External Auditors	PricewaterhouseCoopers S.p.A.
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2. Report on operations

Dear Shareholders,

We hereby submit the consolidated and separate financial statements of Lottomatica Group S.p.A. (hereinafter “**Lottomatica Group**” or the “**Company**” and together with its subsidiaries the “Group”). The Company was incorporated on 15 October 2019 on behalf of funds managed by Apollo Management IX, L.P., is domiciled in Italy, with registered offices in Rome, Via degli Aldobrandeschi, 300 and is organized under the laws of the Republic of Italy. As permitted by Article 40 paragraph 2 bis of Legislative Decree 127/91, the Company has prepared this directors report, for both the consolidated and separate financial statements, in a single document which presents the Group’s financial and operating performance during the year 2024, as well as the foreseeable operating performance. This Director’s report also includes the Consolidated sustainability statement of the Group.

The Company’s ultimate controlling entity is Apollo Capital Management, L.P., a limited company incorporated under the laws of the State of Delaware (USA). Since 3 May 2023, the Company has been listed on Euronext Milan, a regulated market organized and managed by Borsa Italiana S.p.A..

On 24 April 2024, GBO S.p.A. completed the acquisition of 100% of the share capital of SKS365 Malta Holding Limited (hereinafter “**SKS365**”) for Euro 621.5 million (the “**SKS365 Acquisition**”), following regulatory and competition approvals. SKS365 is the parent company of the operating company SKS365 Malta Limited, which was renamed to PWO Limited following the acquisition. The transaction was financed through the available cash and the proceeds from the issuance, on 14 December 2023, of the senior secured floating rate notes due 2030 (issued below par at 99.5%), bearing interest at the sum of the three-month EURIBOR rate (with a floor of 0%) plus 4.00% per annum, with coupons paid quarterly starting from 1 March 2024 (hereinafter the “**December 2023 Notes**”). The proceeds of the December 2023 Notes were transferred to an escrow account until the completion of the SKS365 Acquisition.

On 29 May 2024, Lottomatica S.p.A. (now merged into Lottomatica Group) issued senior secured notes for an aggregate amount of Euro 900 million. The net proceeds from the issuance were used, together with available liquidity, to fund the final early repayment of the fixed rate senior secured notes due 2027 and the floating rate senior secured notes due 2028, issued by the same company on 27 September 2022 and 1 June 2023, respectively, together with accrued and unpaid interest, as well as the make-whole payment due to the related early repayment (hereinafter the “**2024 Refinancing**”).

For further details, refer to Note 6 “Key events occurring during the year” of this document and Note 11.7 to the consolidated financial statements as of and for the year ended 31 December 2024 (the “**Consolidated Financial Statements**”).

The information contained in this report refers to the financial years ended 31 December 2024 and 2023. The financial information and all business data (e.g. collection, unique active users, number of operating point of sales, rights) reported in the document include SKS365 for a period of eight months in the scope of consolidation, from 30 April 2024 to 31 December 2024. The first consolidation of SKS365 took place on 30 April (rather than 24 April, the acquisition date) to reduce the complexity of determining the data, since the economic and financial impact was not considered material for the purposes of representing the Consolidated Financial Statements.

3. Italian gaming market and the Group’s positioning

GGR¹ in the Italian gaming market amounted to approximately Euro 21.4 billion in 2024, an increase of 2.2% compared to the previous year. Such increase was mainly attributable to growth in the Sports retail and Online segment, which increased by 6% and 15% respectively compared to the previous year, in particular the iGaming and iSports segments increased by 18% and 12% respectively compared to the previous year. The Gaming Franchise segment decreased by 4%.

The following table shows the latest available information relating to the Italian gaming market:

(In millions of Euro)	2024		2023		2022		Change 2024 vs 2023	
	GGR	% on GGR	GGR	% on GGR	GGR	% on GGR	(Euro)	%
Online ⁽¹⁾	4,881	22.9%	4,258	20.4%	3,744	18.7%	623	14.6%
iGaming	2,796	13.1%	2,368	11.3%	2,013	10.0%	428	18.1%
iSports	1,843	8.6%	1,651	7.9%	1,498	7.5%	192	11.6%
Other online	242	1.1%	239	1.1%	233	1.2%	3	1.3%
Sports retail ⁽¹⁾	1,511	7.1%	1,429	6.8%	1,297	6.5%	82	5.7%
Other betting retail	459	2.1%	424	2.0%	440	2.2%	35	8.3%
Gaming retail	8,163	38.2%	8,513	40.7%	8,612	43.0%	(350)	(4.1%)
Other games ⁽²⁾	6,342	29.7%	6,278	30.0%	5,954	29.7%	64	1.0%
Total	21,356	100.0%	20,902	100.0%	20,047	100.0%	454	2.2%

Source – Prisma S.p.A. (MAG) estimates on market data (2025).
(1) Includes virtual gaming and horse-race games and excluding Betting Exchange.
(2) Includes Betting Exchange and does not include Comma7.

The Group is one of the largest players in the Italian gaming market,² with Euro 39.2 billion in bet (of which Euro 4.3 million related to SKS365) and Euro 2,004.7 million in revenues (of which Euro 212.6 million related to SKS365) during the year ended 31 December 2024, generated through a network of 4,024³ betting rights (of which 1,003 related to SKS365), 26 horse-race betting rights, 19,831 VLT rights, 67,704 AWP operating permits and 43,542 owned AWP⁴s and a network of around 17,783 points of sale of which 138 managed directly as of 31 December 2024.

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

1) GGR (Gross Gaming Revenue) is defined as the difference between bet and the amount paid to players as winnings.
2) Based on revenues.
3) Includes 8 betting rights of Ricreativo B.
4) The figure as of 31 December 2024 does not consider AWP machines that the Group holds in inventory.



3.1 Online

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

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

The Online segment generated bet of Euro 24,492.7 million (of which Euro 3,711.6 million related to SKS365) for the year ended 31 December 2024, a significant increase compared to Euro 16,203.6 million for the year ended 31 December 2023.

3.2 Sports Franchise

The Group's Sports Franchise activity consists in the collection of sports betting, virtual betting and horserace betting through a franchise network of 3,740 operating PoS (of which 906 related to SKS365) as of 31 December 2024. Through **GoldBet**, **Intralot**, **Better** and **Planetwin365** brands the Group offers a wide range of retail offerings. The Sports Franchise segment generated bet of Euro 3,578.3 million (of which Euro 547.7 million related to SKS365) for the year ended 31 December 2024 compared to Euro 2,824.5 million for the year ended 31 December 2023.

3.3 Gaming Franchise

The Group's Gaming Franchise business comprises direct management of gaming halls and concession activities for VLTs and AWP, managed according to different types of business models depending on the level of integration in the value chain. These business models range from the sole interconnection of machines prescribed by the concession to the ownership and management of the machines and the gaming halls. As of 31 December 2024, the Group's Gaming Franchise business includes 18,395 operative VLTs and 63,941 operative AWP. For the year ended 31 December 2024, there were 138 gaming halls under direct management of the Group, which leveraged the Group's proprietary distribution formats and brands.

The Gaming Franchise segment generated bet of Euro 11,089.8 million for the year ended 31 December 2024, compared to Euro 11,103.4 million for the year ended 31 December 2023. The following paragraphs provide more specific details regarding the i) AWP, ii) VLT and iii) Retail and Street Operations product divisions.

i) Amusement With Prize (AWP)

AWPs are relatively easy to play (compared to VLTs – see below) and offer players a good level of interaction, through the use of a graphical reel containing pictures.

The maximum cost of each single game is Euro 1.00 and each game may last between four and thirteen seconds. Any winnings must be distributed immediately after the game (only) in coins and

jackpots are not permitted.⁵ The machine must calculate winnings in an unpredictable way over a cycle of a maximum of 140,000 games.

ii) Video Lottery Terminal (VLT)

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

Relevant legislation requires that bet per game may range from a minimum of Euro 0.50 to a maximum of Euro 10.00, with payouts of up to Euro 5,000.00 as well as the chance to win jackpots of up to Euro 500,000.00.⁶ The Group currently offers four VLT platforms (Spielo, Novomatic, Inspired and WMG).

iii) Management of owned gaming halls and AWP (Retail & Street Operations)

Since 2012, the Group has pursued a strategy of vertical integration involving the direct management of owned gaming halls ("Retail"), with such business being subsequently supplemented by direct management of owned AWP ("Street Operations"). As of 31 December 2024, the Group directly manages 138 halls and 43,542 owned AWP.⁷

3.4 Performance of the Company's shares on Euronext Milan

Lottomatica Group S.p.A. shares are listed on Euronext Milan since 3 May 2023.

As of 30 December 2024, the closing share price of the Company's shares was Euro 12.84 per share (+42.7% compared to Euro 9.00 per share at the listing date and +31.2 % compared to the closing share price in 2023 of Euro 9.79). The market capitalization amounted to Euro 3,231 million as of 31 December 2024.

The table below shows share price performance during 2024:

	Euro	Date
IPO price	9.00	3-may-23
Minimum price	9.57	3-jan-24
Maximum price	12.94	11-dec-24
Average price	11.29	30-dec-24
End of period	12.84	30-dec-24
Capitalization	3,230,934,490	30-dec-24

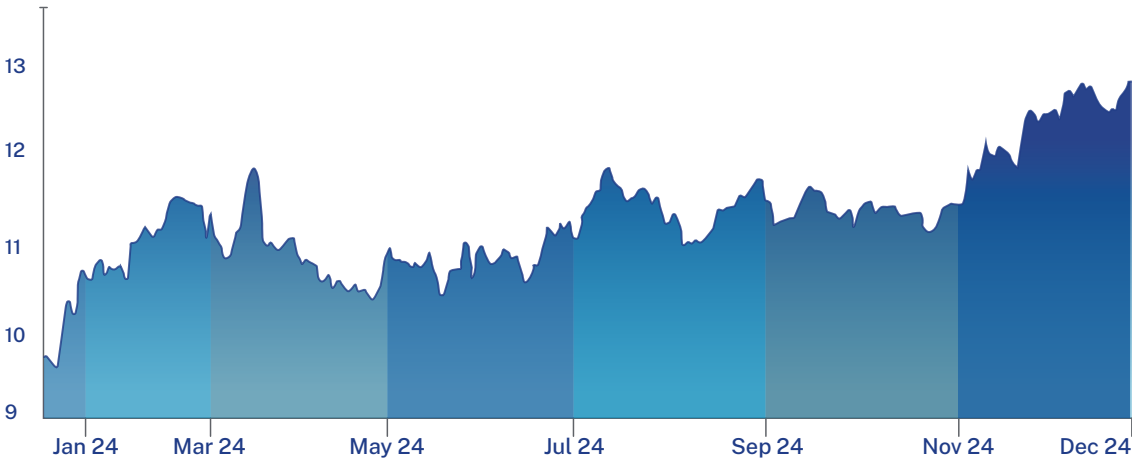
5) By law, monetary winnings must not exceed Euro 100 for a single play and as of January 2020, the minimum payout is set by law at 65.0% (Law No. 160 of 27 December 2019 - the so-called "2020 Budget Law" – effective as of 1 January 2020). For details regarding the evolution of PREU flat-tax rates, see par. 7.

6) As of January 2020, the percentage of bet paid out as winnings may not be lower than 83.0% (Law No. 160 of 27 December 2019 - the so-called "2020 Budget Law" – effective as of 1 January 2020). For details regarding the evolution of PREU flat-tax rates, see paragraph 7.

7) The figure as of 31 December 2024 does not consider AWP machines that the Group holds in inventory.



The graph below shows the changes in the Company's share price during 2024:



4. Alternative Performance Measures

This document includes, in addition to the financial measures provided by International Financial Reporting Standards (IFRS), several measures derived from the latter even if not defined by IFRS (hereinafter the “**Non-GAAP Measures**”). More specifically, the Non-GAAP Measures are constructed on the basis of historical data and do not indicate the future performance of the Group, in accordance with the provisions of the recommendations contained in the document prepared by ESMA, No.1415 of 2015, published on 5 October 2015, as incorporated by Consob Communication No. 92543 dated 3 December 2015. With reference to the military conflict between Russia and Ukraine and in accordance with ESMA guidelines, no new indicators have been introduced, nor have any changes been made to the indicators normally used. These measures are presented in order to allow a better assessment of the Group's operating performance and should not be considered alternatives to those provided by IFRS. Specifically, the Non-GAAP Measures used are as follows:

- **Adjusted EBITDA:** calculated as net profit for the year adjusted for: (i) income tax expense; (ii) finance income; (iii) finance expenses; (iv) share of profit/(loss) of equity accounted investments; (v) depreciation, amortization and impairments; (vi) costs related to M&A and international activities; (vii) integration costs (including expenses on corporate restructuring, redundancy and higher costs incurred in relation to renegotiated operating contracts); (viii) other income and expenses that, in view of their nature, are not reasonably expected to recur in future periods.
- **Adjusted EBITDA Margin:** calculated as the ratio of Adjusted EBITDA divided by Revenues for the year.
- **Adjusted EBIT:** calculated as net profit for the year adjusted for: (i) income tax expense; (ii) finance income; (iii) finance expenses; (iv) share of profit/(loss) of equity accounted investments; (v) amortization of higher value of assets resulting from business combinations following the purchase price allocation process (“PPA”); and (vi) other non-recurring costs and income excluded from Adjusted EBITDA.
- **Adjusted Net Profit:** calculated as net profit for the year adjusted for: (i) amortization of higher value of assets resulting from business combinations following PPA; (ii) other non-recurring costs and income excluded from Adjusted EBITDA, (iii) finance income and expenses that, due

to their nature, are not reasonably expected to recur in future periods, (iv) other non-monetary items recorded in finance expenses and (v) tax effects on such adjustments.

- **Adjusted Net Profit per Share:** calculated as Adjusted Net Profit divided by the number of shares of the Company issued.
- **Cash Capital Expenditures:** calculated as cash outflows for (i) recurring capital expenditure (comprising maintenance and expansionary capital expenditure), (ii) concession capital expenditure and (iii) extraordinary capital expenditure related to investments for extraordinary projects and deferred consideration for the acquisition of subsidiaries and business units.
- **Operating Cash Flow:** defined as the sum of Adjusted EBITDA less (i) recurring capex and (ii) concession capex.
- **Cash Conversion Rate:** calculated as the ratio of Operating Cash Flow divided by Adjusted EBITDA.
- **Net Financial Debt:** calculated as the sum of (i) the nominal amount of notes (ii) IFRS 16 liabilities, net of (iii) cash and cash equivalents.
- **Net Financial Indebtedness-ESMA:** determined as required by Consob Communication DEM/6064293 of 28 July 2006 and amended by Consob Communication No. 5/21 of 29 April 2021 and in accordance with ESMA Recommendations contained in Guidelines 32-382-1138 of 4 March 2021 on disclosure requirements under the Prospectus Regulation.

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

(In thousands of Euro)	As of and for the year ended 31 December	
	2024	2023*
Revenues	2,004,725	1,632,488
Adjusted EBITDA	706,922	580,351
Adjusted EBIT	535,648	456,914
Adjusted Net Profit	254,260	215,884
Profit for the year	103,839	73,862
Total shareholders' equity	565,503	541,231
Net Financial Indebtedness -ESMA	1,954,275	1,360,933
Net Financial Debt	1,872,825	1,248,726
Cash Capital Expenditures	(261,501)	(144,767)
Operating Cash Flow	556,831	469,626
Cash Conversion Rate	78.8%	80.9%

* The figures for the year ended 31 December 2023 have been restated following the completion of the purchase price allocation relating to Ricreativo B S.p.A..

Disclaimer

This document contains forward-looking statements (in particular in the sections headed “Outlook” and “Significant events occurring after 31 December 2024” and “Consolidated sustainability statement”), which are subject to known and unknown risks, uncertainties, and assumptions that are difficult to predict because they relate to events and depend on circumstances that will occur in the future. Many of these risks and uncertainties relate to factors that are beyond the company's ability to control or estimate precisely, such as future market conditions, the behavior of other market participants, the actions of regulators and other factors. Therefore, the Group actual results may differ materially and adversely from

those expressed or implied in any forward-looking statements. Factors that might cause or contribute to such differences include, but are not limited to, economic conditions globally, social, political, economic and regulatory developments or changes in economic or technological trends or conditions in Italy and internationally. Consequently, the Company makes no representation, whether expressed or implied, as to the conformity of the actual results with those projected in the forward-looking statements. Any forward-looking statements made by or on behalf of the Company speak only as of the date they are made.

5. Macroeconomic context

Economic growth in the Euro area weakened in the fourth quarter of 2024, penalized by lackluster consumption and investment and by declining exports. Inflation is still moderate, at around 2%, with the core component being broadly stable, but it is still relatively high in services, partly reflecting delayed adjustments to past inflation.

The Governing Council of the European Central Bank cut its reference rates by a further 25 basis points in December. Despite the gradual easing of monetary policy, credit growth in the Euro area remains subdued, in an environment of high uncertainty and weak demand.

Economic activity in Italy remained weak in the fourth quarter of 2024, partly affected, as in the rest of the Euro area, by the persistent sluggishness in manufacturing and the slowdown in services. In construction, the support provided by the works under the National Recovery and Resilience Plan was in contrast with the contraction in activity in the housing sector. Domestic demand was held back by the slowdown in household spending and by still unfavourable investment conditions.⁸

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

Gross Domestic Product ⁹	I Q	II Q	III Q	IV Q	I Q	II Q	III Q	IV Q	I Q	II Q	III Q	IV Q
	2022	2022	2022	2022	2023	2023	2023	2023	2024	2024	2024	2024
	+0.1%	+1.0%	+0.5%	-0.1%	+0.5%	+0.6%	-0.4%	+0.2%	+0.3%	+0.2%	+0.0%	+0.0%

The annual inflation rate in Italy on 31 December 2024 increased, reaching 1.3%¹⁰ on annual basis, showing the slow down due to the marked decline of prices of energy products and the trend in food prices, which remains well above inflation.

Inflation rate	As of 31 December	
	2023	2024
	+0.6%	+1.3%

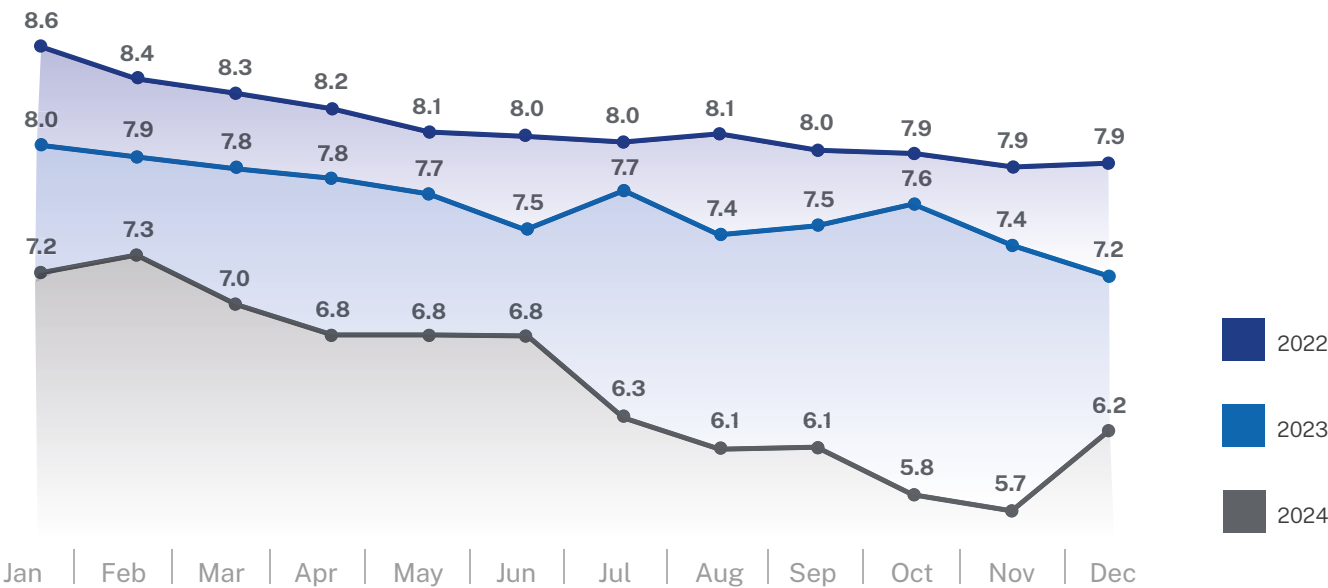
8) Source: Bank of Italy - Economic Bulletin No. 1 – 2025.

9) Source: Istat – Preliminary Estimates on GDP – IV quarter 2024.

10) Source: Istat – Press Release – Consumer Price – December 2024.

As shown in the graph¹¹ below, the unemployment rate as of 31 December 2024 was lower than that of the same date in 2023. Headcount employment continues to increase, the number of hours per worker is falling and recourse to wage supplementation remains high, especially in manufacturing. Growth in contractual wages in the private sector remains robust, helping the gradual recovery in households' purchasing power.

Unemployment rate



6. Key events occurring during the year

6.1 Refinancing 2024

On 29 May 2024, Lottomatica S.p.A. (merged into the Company during 2024) issued senior secured notes for a total principal of Euro 900 million (the “**May 2024 Notes**”), of which (i) Euro 500 million bearing interest at a fixed annual rate of 5.375%, to be paid semiannually, commencing on 1 December 2024 and maturing in June 2030, and (ii) Euro 400 million bearing interest equal to the sum of three-month EURIBOR (with a 0% floor) plus 3.250% per annum to be paid quarterly, commencing on 1 September 2024 and maturing in June 2031.

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

11) Source: Istat – Employment and Unemployment – December 2024.

With reference to the Refinancing 2024, the monetary costs amounted to Euro 37.3 million, mainly relating to:

- professional fees related to the May 2024 Notes amounting to Euro 10.9 million;
- make-whole of the 2024 Notes Repaid amounting to Euro 26.4 million.

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

6.2 Acquisition of SKS365

As previously indicated, on 24 April 2024, GBO S.p.A. completed the acquisition of 100% of the share capital of SKS365, an omnichannel operator in the Italian online and sports betting market. The consideration paid for the acquisition amounted to Euro 621.5 million, including leakages and ticking fees, contractually determined. The transaction was financed through a combination of available cash and the proceeds from the issuance of the December 2023 Notes.

With reference to the SKS365 Acquisition, the net monetary costs incurred in connection with the related acquisition and its financing amounted to Euro 6.9 million, mainly relating to:

- professional fees related to the acquisition amounting to Euro 1.8 million;
- negative carry amounting to Euro 4.2 million relating to the negative difference between the interest income accrued on the escrow account and the interest expense accrued on the December 2023 Notes for the period from 1 January 2024 to the acquisition date of SKS365 (including the related interest rate swap net income);
- the arrangement fees related to the additional revolving credit facility of Euro 0.9 million.



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

	Amount*	Finance expenses	Costs not included in Adjusted EBITDA	Financial liabilities at amortized cost	Monetary portion	Non-monetary portion
<i>(In millions of Euro)</i>						
Refinancing 2024						
Underwriting fees and consultants / advisors	(10.9)			✓	(10.9)	-
Make-whole on 2024 Notes Repaid	(26.4)	✓			(26.4)	-
Effect of acceleration of the unamortized costs and net charge IRS on 2024 Notes Repaid	(21.7)	✓			-	(21.7)
Total (A)	(59.0)	(48.1)			(37.3)	(21.7)
SKS365 Acquisition						
Transaction costs related to SKS365	(1.8)		✓		(1.8)	-
Negative carry (including net income from IRS)	(4.2)	✓			(4.2)	-
Additional RCF (over five years)	(0.9)**	✓			(0.9)	-
Total (B)	(6.9)	(5.1)	(1.8)	-	(6.9)	-
Total (A+B)	(65.9)	(53.2)	(1.8)	(10.9)	(44.2)	(21.7)

* Gross of related tax effect.
** Of which Euro 0.1 million accounted as of 31 December 2024.



7. Gaming sector regulation

Regulation of the gaming sector is the responsibility of the Ministry of the Economy and Finance and, specifically, of the Customs and Monopolies Agency, - hereafter “ADM” - (the “Agenzia delle Dogane e dei Monopoli”, formerly the “Amministrazione Autonoma dei Monopoli dello Stato”), which sets guidelines for the rational and dynamic development of the industry and verifies the lawfulness of the operations of concessionaires.

The following paragraphs describe the main normative and regulatory provisions introduced in 2024 and also provide details regarding other provisions about which details are known as of the date of preparing this report, for each of the reference sectors, namely ADI (entertainment device), Betting, GAD (remote gaming -Online) and Bingo.

7.1 ADIs

7.1.1 PREU and payout rates – 2024

The PREU flat-rate tax is the tax applied to the ADI segment. It was introduced by Law Decree no. 326 of 24 November 2003 and it is calculated by applying the required percentage rate to the total bet placed in each relevant activity, namely, for AWP activities and for VLT activities.

In 2024, the PREU rates for AWP and VLT are 24.0% and 8.6% respectively and were unchanged compared to those applicable in 2023.

In 2024, the minimum payout levels for AWP and VLT are respectively 65.0% and 83.0% of bet and were unchanged compared to those applicable in 2023.

7.1.2 Onerous extension of ADI concessions

The ADI concessions expired on 31 December 2024 and have been subject to an onerous extension until 31 December 2026, pursuant to Law no. 207 of 30 December 2024 (hereinafter “**Budget Law 2025**”).

ADM Directorial Determination No. 42506/RU of 10 January 2025 provides that:

The concession fees due pursuant Law No. 207 of 30 December 2024 for the extension of the concessions in the preamble are paid by each concessionaire as follow:

- *for the year 2025, in three equal installments due on 15 March 2025, 15 July 2025 and 1 October 2025, respectively;*
- *for the year 2026, in three equal installments due on 15 March 2026, 15 July 2026 and 1 October 2026, respectively.*

7.1.3 AWP-R

Pursuant to the 2016 Stability Law and as subsequently modified, most recently by the provisions of Law No. 145 of 30 December 2018, the ADM developed a draft Ministerial Decree setting out technical rules for the production of entertainment devices pursuant to Article 110, Paragraph 6, letter a) of the TULPS that permit remote gaming. This draft, which was forwarded to the Finance Legislative Office for final approval. As clarified by the ADM in the note relating to the 2025 Development Plan, “Based on the timelines that will be provided, *each concession holder will proceed within its area of responsibility to adapt the network structures and connectivity and replace the equipment, PDAs and communication structures of the telematic networks*”.

At reporting date, the decree containing technical rules for the production of AWP-R has not yet been issued.

7.2 Betting and GAD

7.2.1 Betting concessions held by the Group

The following table provides a summary of the betting concessions held by the Group as of 31 December 2024:

Concession No.	Company	Announcement	Betting offering	Number of rights 2024
4098	GBO Italy S.p.A.	Bersani betting shops	Sport	421
4098	GBO Italy S.p.A.	Bersani betting shops	Sport	1,241
4341	GBO Italy S.p.A.	Bersani betting shops	Horse racing	13
4805	GBO Italy S.p.A.	Giorgetti betting shops	Horse racing	12
4504	GBO Italy S.p.A.	Monti	Sport+Horse racing	358
72000	GBO Italy S.p.A.	Tax regularization pursuant to article 1 co. 643 L. 190/2014	Sport+Horse racing	993

Concession No.	Company	Announcement	Betting offering	Number of rights 2024
4538	Ricreativo B S.p.A.	Monti	Sport + Horse racing	8
4869	Ricreativo B S.p.A.	Giorgetti betting shops	Horse racing	1

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

7.2.2 Betting duties (“Imposta unica”)

From 1 January 2025, pursuant to the provisions of Budget Law 2025, the betting duties (“Imposta Unica”) on prediction and bets is established:

a) for remote skill games with cash prizes, including card games in tournament mode and card games in modes other than tournament, as well as for fixed-odds games of chance and remote bingo, in the amount of 25.5% of the sums that are not returned to the player, according to the game rule;



b) for fixed-odds sports betting, in the amount of 20.5%, if bet takes place on a physical network, and 24.5%, if bet takes place remotely, applied to the difference between the amount bet and the winnings paid;

c) for fixed-odds bets on simulated events, pursuant to Law no. 296 of 27 December 2006, in the amount of 24.5% of the bet net of the amount paid to the player in winnings, according to the game rules.

7.2.3 Withdrawal on winnings

From 1 January 2025, pursuant to the provisions of the 2025 Budget Law (Article 1, paragraph 93), the tax applied on fixed-odds horse racing bets is set at 20.5% and 24.5% for those collected on the physical network and for those collected remotely, respectively. Those rates are applied to the difference between the bet amount and the winnings paid, without prejudice to the distribution of the periodic withdrawal pursuant Law no. 205 of 2017.

7.2.4 Onerous extension of betting and GAD concessions

Betting concessions expired on 31 December 2024 and have been subject to an onerous extension until 31 December 2026, pursuant to the 2025 Budget Law.

ADM Directorial Determination No. 13771/RU of 3 January 2025 provides that:

The annual amount due is paid by the concessionaire, by the owner of the physical network collection or by the owner of the regularized betting points with the methods indicated below:

- for the year 2025, in two installments of equal amount due on 30 April 2025 and 31 October 2025, respectively;
- for the year 2026, in two installments of equal amount due on 30 April 2026 and 31 October 2026, respectively.

With specific reference to the GAD sector, pursuant to Article 6 of Legislative Decree No. 36 of 31 March 2023, ADM announced the open electronic procedure concerning the assignment of concessions for the activities and functions for the operation of public games referred to Legislative Decree No. 41 of 25 March 2024 (i.e. online games), through the activation and management of the remote gaming network, with the exclusion of collection at public places as per the tender notice published in the Official Journal of the European Union on 18 December 2024.

With Directorial Determination No. 777860/RU of 17 December 2024, ADM provided that:

The concessions for the collection of remote gaming, pursuant to Legislative Decree No. 41 of 25 March 2024 are assigned:

- to all economic operators who have the specific requirements and conditions, set out in the tender notice and valid for the entire duration of the concession;
- upon payment, at the time of award, of a one-off fee of Euro 7 million, to be paid in the manner set out in the aforementioned Legislative Decree;

- with a maximum numerical limit of five concessions that can be requested by a single corporate group.

Applications may be submitted from 31 March 2025 to 30 May 2025.

Consequently, the concessions relating to remote gaming in place as of today and expired on 31 December 2024, have been extended by ADM Directorial Determination No. 790999 of 20 December 2024 until 17 September 2025, the final deadline for the procedure of the concession of the remote gaming referred to in Article 6 of Legislative Decree No. 41 of 25 March 2024.

Pursuant to Article 2 of the aforementioned Determination, each GAD concessionaire of the Group has expressly communicated to ADM its adhesion to the technical extension, committing to pay the due fees and to adjust the guarantees in the manner and within the terms established by ADM. In this regard, ADM established the following:

For the purposes of the technical extension, concessionaires must pay a fee in two installments, calculated as follows:

- by 15 February 2025:
 - for concessionaires holding a concession pursuant to Article 1 of Law No. 2008 of 28 December 2015, an amount equal to 1/14 of the one-off fee of Euro 200 thousand;
 - for concessionaires holding a concession pursuant to Article 24 of Law No. 88 of 7 July 2009, an amount equal to 1/18 of the one-off fee, provided for by the concession based on the games for which the concession was requested;
- by 15 July 2025:
 - for concessionaires holding a concession pursuant to Article 1 of Law No. 2008 of 28 December 2015, an amount equal to 78/2555 of the one-off fee of Euro 200 thousand, corresponding to the days actually remaining with respect to the deadline of 17 September 2025;
 - for concessionaires holding a concession pursuant to Article 24 of Law No. 88 of 7 July 2009, an amount equal to 78/3285 of the one-off fee, provided for the concession in relation to the games for which was requested, corresponding to the days remaining to the deadline of 17 September 2025;
- by 1 October 2025, in the event that the sole project manager proceeds, pursuant to Article 1, paragraph 2, to a further extension, the further fee will be calculated using the methods set out in letter b), based on the actual number of days of extension.

Management believes that the Group's concessionaire companies meet all the requirements and conditions set out in the tender notice and, therefore, have a reasonable expectation regarding the assignment of the aforementioned concessions, based on the elements and information available at the reporting date. The tender notice provides that the concessions will be awarded during 2025 following verification by ADM of compliance with the technical-infrastructure requirements.



7.3 Bingo

As result of the Budget Law 2025, bingo concessions, expired on 31 December 2024, have been subject to an onerous extension until 31 December 2026. Starting from 1 January 2025; the jackpot has been set at a minimum of 70% and a maximum of 71% of the selling price of the bingo cards.

Due to the regulatory changes introduced by the 2025 Budget Law, ADM note No. 43702 of 10 January 2025 established that the annual payment of Euro 108,000.00 for each concession should be paid in two installments of Euro 54,000.00 each by 31 January and 30 June of each year.

8. Review of Group results

The following table shows the Group's consolidated income statements for the year ended 31 December 2024 and 2023:

(In thousands of Euro)	For the year ended 31 December				Change	
	2024	% of revenues	2023*	% of revenues	(Euro)	%
Revenues	2,004,725	100.0%	1,632,488	100.0%	372,237	22.8%
Other income	14,951	0.7%	18,529	1.1%	(3,578)	(19.3%)
Total revenues and income	2,019,676	100.7%	1,651,017	101.1%	368,659	22.3%
Cost of services	(1,213,725)	(60.5%)	(972,759)	(59.6%)	(240,966)	24.8%
Personnel expenses	(135,503)	(6.8%)	(98,378)	(6.0%)	(37,125)	37.7%
Other operating costs	(39,477)	(2.0%)	(40,952)	(2.5%)	1,475	(3.6%)
Depreciation, amortization and impairments	(244,353)	(12.2%)	(194,678)	(11.9%)	(49,675)	25.5%
Accruals and impairments	(1,028)	(0.1%)	(5,998)	(0.4%)	4,970	(82.9%)
Net finance expenses	(206,362)	(10.3%)	(192,148)	(11.8%)	(14,214)	7.4%
Share of profit / (loss) of equity accounted investments	1,663	0.1%	(8,965)	(0.5%)	10,628	(>100%)
Profit before taxes	180,891	9.0%	137,139	8.4%	43,752	31.9%
Income tax expense	(77,052)	(3.8%)	(63,277)	(3.9%)	(13,775)	21.8%
Net profit for the year	103,839	5.2%	73,862	4.5%	29,977	40.6%
Net profit for the year attributable to non-controlling interests	5,242	0.3%	5,919	0.4%	(677)	(11.4%)
Net profit for the year attributable to the owners of the parent	98,597	4.9%	67,943	4.2%	30,654	45.1%

* Figures for the year ended 31 December 2023 have been restated following the completion of the purchase price allocation relating to Ricreativo B S.p.A..

8.1 Revenues

The following table provides a breakdown of revenues by operating segment for the year ended 31 December 2024 and 2023:

(In thousands of Euro)	For the year ended 31 December				Change	
	2024	% of revenues	2023	% of revenues	(Euro)	%
Online	780,230	38.9%	520,787	31.9%	259,443	49.8%
Sports Franchise	460,755	23.0%	368,217	22.6%	92,538	25.1%
Gaming Franchise	763,740	38.1%	743,484	45.5%	20,256	2.7%
Total	2,004,725	100.0%	1,632,488	100.0%	372,237	22.8%

8.1.1 Online

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

	As of and for the year ended 31 December	
	2024	2023
Unique active users*	2,003,458	1,310,675
Total online bet (in millions of Euro)	24,492.7	16,203.6

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

The Online segment generated bet of Euro 24,492.7 million for the year ended 31 December 2024, an increase of 51.2% compared to Euro 16,203.6 million for the year ended 31 December 2023. The Online operating segment benefitted from the SKS365 Acquisition, which has contributed to a significant increase in online gaming offering and has recorded Euro 3,711.6 million of bet from the consolidation date, from the overall growth of the market and the increase in the market share in all of the Group's product lines and brands resulting in the strengthening of its leadership position.

The overall increase in bet for the year ended 31 December 2024 compared to the year ended 31 December 2023 was driven by an increase in:

- iGaming from Euro 12,654.0 million for the year ended 31 December 2023 to Euro 19,149.7 million for the year ended 31 December 2024;
- iSports from Euro 2,443.6 million for the year ended 31 December 2023 to Euro 3,832.1 million for the year ended 31 December 2024;
- other online gaming from Euro 1,105.9 million for the year ended 31 December 2023 to Euro 1,510.9 million for the year ended 31 December 2024.

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

- the increase in the online games offer;
- continuous technological improvements such as graphic and functional refactoring of the

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

Online segment revenues for the year ended 31 December 2024 amounted to Euro 780.2 million, an increase of Euro 259.4 million compared to Euro 520.8 million for the year ended 31 December 2023. The main drivers for the increase in revenues were the same as those described above for the increase in bet. The SKS365 Acquisition contributed to revenue growth of Euro 141.7 million.

8.1.2 Sports Franchise

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

	As of and for the year ended 31 December	
	2024	2023
Number of licenses/concessions*	4,024	3,022
Number of active points of sale (shops and corner)	3,740	2,803
Average number of points of sale in operations (shops and corner)	3,441	2,747
Sports Franchise bet (in millions of Euro)	3,578.3	2,824.5

* Excluding the 26 licenses related to horse racing in 2024 and 2023. Including 8 betting rights of Ricreativo B in 2024 and 2023.

Sports Franchise bet increased from Euro 2,824.5 million for the year ended 31 December 2023 to Euro 3,578.3 million for the year ended 31 December 2024 (of which Euro 547.7 million related to SKS365). In addition to the contribution from the SKS365 Acquisition, the increase in bet was due to the effect of the market growth and the implementation of project POS, which enabled the Group to identify and include within its network the best-performing point of sales. Sports Franchise revenues amounted to Euro 460.7 million for the year ended 31 December 2024 (of which Euro 70.9 million related to SKS365), an increase of Euro 92.5 million or 25.1% compared to Euro 368.2 million for the year ended 31 December 2023. This increase was due to the same factors discussed above to bet, partially offset by the negative impact of higher payout.

8.1.3. Gaming Franchise

Bet in the Gaming Franchise segment for the year ended 31 December 2024 amounted to Euro 11,089.8 million compared to Euro 11,103.4 million for the year ended 31 December 2023. Gaming Franchise revenues amounted to Euro 763.7 million for the year ended 31 December 2024 compared to Euro 743.5 million for the year ended 31 December 2023.



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

AWP

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

	As of and for the year ended 31 December	
	2024	2023
Number of AWP in operation as of the period end	63,941	63,138
Average number of AWP in operation for the period	63,471	62,757
AWP bet (in millions of Euro)*	4,286.7	4,471.4
Average AWP PREU (as percentage of bet)	24.0%	24.0%

* The amount does not include bet generated by gaming halls connected to other concessionaires (different from Gamenet S.p.A. and Lottomatica Videolot Rete S.p.A.), amounting to Euro 521.2 million and Euro 293.4 million for the years ended 31 December 2024 and 2023, respectively, which is included in the Retail and Street Operations business line.

AWP bet amounted to Euro 4,286.7 million for the year ended 31 December 2024, decreasing compared with the previous year (Euro 4,471.4 million for the year ended 31 December 2023).

AWP revenues for the year ended 31 December 2024 amounted to Euro 279.8 million, increasing compared to Euro 278.2 million for the year ended 31 December 2023. The increase was mainly due to the distribution insourcing strategy.

VLT

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

	As of and for the year ended 31 December	
	2024	2023
Number of VLTs licenses	19,831	19,831
Average number of VLTs in operation for the period	18,279	18,287
Number of VLTs in operation as of the period end	18,395	18,344
VLT in operation as percentage of VLT rights	92.8%	92.5%
VLT bet in millions of Euro*	6,129.2	6,216.7
Average VLT PREU (as percentage of bet)	8.6%	8.6%

* The amount does not include bet generated by gaming halls connected to other concessionaires (different from Gamenet S.p.A. and Lottomatica Videolot Rete S.p.A.), amounting to Euro 152.6 million and Euro 121.9 million for the year ended 31 December 2024 and 2023, respectively, which is included in the Retail and Street Operations business line.

VLT bet amounted to Euro 6,129.2 million for the year ended 31 December 2024, a decrease compared to Euro 6,216.7 million for the year ended 31 December 2023.

VLT revenues amounted to Euro 436.2 million for the year ended 31 December 2024, a decrease compared to Euro 438.3 million for the year ended 31 December 2023.



Retail and Street Operations

Bet in the Retail & Street Operations product line (from other concessionaires) amounted to Euro 673.9 million for the year ended 31 December 2024 (Euro 415.3 million for the year ended 31 December 2023) while the related revenues (from other concessionaires) amounted to Euro 47.7 million for the year ended 31 December 2024, an increase of Euro 20.7 million compared to Euro 27.0 million for the year ended 31 December 2023 mainly due to the effect of the contribution from the acquisition of Ricreativo B which took place in September 2023 and from 2024 acquisitions.

After reclassifying bet generated in owned gaming halls connected to the Gamenet and Lottomatica Videolot Rete concessionaires, total Retail & Street Operations bet for the year ended 31 December 2024 amount to Euro 3,659.4 million (Euro 3,184.3 million for the year ended 31 December 2023). For details regarding year-on-year movements, see the comments above in relation to the AWP and VLT.

8.2 Other income

Other income amounted to Euro 15.0 million (of which Euro 0.5 million related to SKS365) for the year ended 31 December 2024, a decrease of Euro 3.5 million compared to Euro 18.5 million for the year ended 31 December 2023, mainly due to non-recurring income from the recharge to gaming platforms providers of penalties for ADM service levels for the years 2013 and 2014, occurred during the 2023.

8.3 Cost of services

The following table provides a breakdown of cost of services for the year ended 31 December 2024 and 2023:

(In thousands of Euro)	For the year ended 31 December				Change	
	2024	% of revenues	2023	% of revenues	(Euro)	%
Distribution network compensation	(828,381)	(41.3%)	(681,284)	(41.7%)	(147,097)	21.6%
Fee on gaming platform licenses	(116,691)	(5.8%)	(88,065)	(5.4%)	(28,626)	32.5%
Concession fee	(58,445)	(2.9%)	(51,447)	(3.2%)	(6,998)	13.6%
Rentals, leases and other rentals	(13,687)	(0.7%)	(7,351)	(0.5%)	(6,336)	86.2%
Other	(196,521)	(9.8%)	(144,612)	(8.9%)	(51,909)	35.9%
Total	(1,213,725)	(60.5%)	(972,759)	(59.6%)	(240,966)	24.8%

Cost of services for the year ended 31 December 2024 amounted to Euro 1,213.7 million (of which Euro 158.4 million related to SKS365) an increase of Euro 240.9 million compared to Euro 972.8 million for the year ended 31 December 2023.

Cost of services mainly related to the distribution network compensation, which amounted to Euro 828.4 million for the year ended 31 December 2024 (of which Euro 111.5 million related to SKS365), an increase of Euro 147.1 million compared to Euro 681.3 million for the year ended 31 December 2023. This trend was mainly attributable to the supply chain remuneration model (linked to a

percentage of bet and/or revenue sharing mechanisms), resulting in the cost item substantially varying in line with revenues.

The fee on gaming platform licenses was Euro 116.7 million (of which Euro 13.9 million related to SKS365) for the year ended 31 December 2024, an increase of Euro 28.6 million compared to Euro 88.1 million for the year ended 31 December 2023. The fee on gaming platform licenses represents amounts payable to the VLT platform providers to use their systems.

The concession fee payable to the ADM for the Gaming Franchise, Sports Franchise and Online concessions was Euro 58.4 million for the year ended 31 December 2024 (of which Euro 5.4 million related to SKS365), an increase of Euro 7.0 million compared to Euro 51.4 million for the year ended 31 December 2023. The increase was substantially related to the increase in bet.

The item Other cost of services amounted to Euro 196.5 million (of which Euro 21.5 million related to SKS365) for the year ended 31 December 2024, an increase of Euro 51.9 million compared to Euro 144.6 million for the year ended 31 December 2023. Such change was mainly related to the SKS365 Acquisition and the higher volumes of the year.

8.4 Personnel expenses

The following table provides a breakdown of personnel expenses for the year ended 31 December 2024 and 2023:

(In thousands of Euro)	For the year ended 31 December				Change	
	2024	% of revenues	2023	% of revenues	(Euro)	%
Remuneration	(99,881)	(5.0%)	(70,850)	(4.3%)	(29,031)	41.0%
Social security contributions	(26,080)	(1.3%)	(21,131)	(1.3%)	(4,949)	23.4%
Other personnel costs	(9,542)	(0.5%)	(6,397)	(0.4%)	(3,145)	49.2%
Total	(135,503)	(6.8%)	(98,378)	(6.0%)	(37,125)	37.7%

Personnel expenses amounted to Euro 135.5 million (of which Euro 18.4 million related to SKS365) for the year ended 31 December 2024, an increase of Euro 37.1 million compared to Euro 98.4 million for the year ended 31 December 2023. The increase was mainly attributable to the increase in the average number of employees in particular relating to the acquisitions during the period.

8.5 Other operating costs

Other operating costs amounted to Euro 39.5 million (of which Euro 2.5 million related to SKS365) for the year ended 31 December 2024, a decrease of Euro 1.5 million compared to Euro 41.0 million for the year ended 31 December 2023. The change was mainly attributable to (i) the lower write-offs recorded in 2024 compared to the previous year and (ii) the lower ancillary costs for purchase of investments, partially offset by (iii) the higher purchases of goods for halls, (iv) the contribution of the companies acquired during the year as well as (v) the higher costs incurred for the production of gaming hardware.



8.6 Accruals and impairments

Accruals and impairments amounted to Euro 1.0 million (of which Euro 0.1 million related to SKS365) for the year ended 31 December 2024, a decrease of Euro 5.0 million compared to Euro 6.0 million for the year ended 31 December 2023 mainly related to higher financial assets impairment recorded in 2023.

8.7 Depreciation, amortization and impairments

The following table provides a breakdown of depreciation, amortization and impairments for the years ended 31 December 2024 and 2023:

(In thousands of Euro)	For the year ended 31 December				Change	
	2024	% of revenues	2023*	% of revenues	(Euro)	%
Amortization of intangible assets	(176,104)	(8.8%)	(137,832)	(8.4%)	(38,272)	27.8%
Of which PPA	(73,079)	(3.6%)	(71,241)	(4.4%)	(1,838)	2.6%
Depreciation of property, plant and equipment	(47,146)	(2.4%)	(39,256)	(2.4%)	(7,890)	20.1%
Depreciation of investment property	(27)	(0.0%)	(27)	(0.0%)	-	0.0%
Impairments of property, plant and equipment and intangible assets	(244)	(0.0%)	(553)	(0.0%)	309	(55.9%)
Depreciation of right of use	(20,832)	(1.0%)	(17,010)	(1.0%)	(3,822)	22.5%
Total	(244,353)	(12.2%)	(194,678)	(11.9%)	(49,675)	25.5%

* Figures for the year ended 31 December 2023 have been restated following the completion of the purchase price allocation relating to Ricreativo B S.p.A..

Depreciation, amortization and impairments amounted to Euro 244.4 million (of which Euro 29.6 million related to SKS365) for the year ended 31 December 2024, as compared to Euro 194.7 million in the previous year. The increase was mainly due to the effect of SKS365 Acquisition and the amortization of Gaming Franchise segment concessions, onerous extended during the second quarter of 2023, the period from which the related amortization was recorded.

Amortization of intangible assets for the year ended 31 December 2024 includes Euro 73.1 million related to amortization of intangible assets recognized during the purchase price allocation (Euro 71.2 million for the year ended 31 December 2023).

8.8 Net finance expenses

The following table provides a breakdown of net finance expenses for the year ended 31 December 2024 and 2023:

(In thousands of Euro)	For the year ended 31 December				Change	
	2024	% of revenues	2023	% of revenues	(Euro)	%
Non-recurring financial income	6,215	0.3%	24,402	1.5%	(18,187)	(74.5%)
Other interest income	2,823	0.1%	3,737	0.2%	(914)	(24.5%)
Total finance income	9,038	0.4%	28,139	1.7%	(19,101)	(67.9%)
Non-recurring financial expenses	(58,575)	(2.9%)	(73,052)	(4.5%)	14,477	(19.8%)
Interest expense on Notes (including IRS)	(127,192)	(6.3%)	(111,021)	(6.8%)	(16,171)	14.6%
Amortized cost on Notes	(6,646)	(0.3%)	(6,300)	(0.4%)	(346)	5.5%
Commission on sureties	(10,052)	(0.5%)	(5,661)	(0.3%)	(4,391)	77.6%
Interest expense on Revolving Loan	(5,689)	(0.3%)	(5,712)	(0.3%)	23	(0.4%)
Interest expense on Gamma Bondco loan	-	0.0%	(6,947)	(0.4%)	6,947	(100.0%)
Leasing interest expense	(4,296)	(0.2%)	(3,751)	(0.2%)	(545)	14.5%
Amortized costs on deferred purchase consideration for acquisition	(1,404)	(0.1%)	(3,504)	(0.2%)	2,100	(59.9%)
Other interest expense	(1,546)	(0.1%)	(4,339)	(0.3%)	2,793	(64.4%)
Total finance expenses	(215,400)	(10.7%)	(220,287)	(13.5%)	4,887	(2.2%)
Net finance expenses	(206,362)	(10.3%)	(192,148)	(11.8%)	(14,214)	7.4%

Net finance expenses amounted to Euro 206.3 million for the year ended 31 December 2024 (of which Euro 4.8 million related to SKS365), an increase of Euro 14.2 million compared to Euro 192.1 million for the year ended 31 December 2023. The increase was mainly attributable to:

- lower non-recurring finance income, from Euro 24.4 million for the year ended 31 December 2023 to Euro 6.2 million for the year ended 31 December 2024, mainly due to the closing of the hedging derivative following the early repayment in 2023 of the floating-rate senior secured notes maturing in 2025, partially offset by higher interest income accrued on the escrow account during the period;
- higher expenses on the notes, amounting to Euro 16.2 million; partially offset by:
 - lower non-recurring finance expenses, from Euro 73.1 million for the year ended 31 December 2023 to Euro 58.6 million for the year ended 31 December 2024 (for further details of 2024 non-recurring finance expenses see Note 8.8 to the Consolidated Financial Statements); and
 - lower interest expense on the loan granted by Gamma Bondco S.à.r.l. which was repaid during 2023.

“Amortized cost on Notes” and “Amortized cost on deferred purchase consideration for acquisition” are not monetary costs. For further details on the item, see Note 8.8 to the Consolidated Financial Statements.

8.9 Share of profit / (loss) of equity accounted investments

Share of profit / (loss) of equity accounted investments amounted to a profit of Euro 1.7 million for the year ended 31 December 2024 and was mainly related to the dividend distributed by the company before the acquisition of control by Marim S.r.l., which occurred in December 2024.

8.10 Income tax expense

Income tax for the year ended 31 December 2024 amounted to Euro 77.1 million, an increase of Euro 13.8 million as compared to Euro 63.3 million for the year ended 31 December 2023. For further details, see Note 8.10 to the Consolidated Financial Statements.

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

The following table shows the reconciliation of Adjusted EBITDA for the years ended 31 December 2024 and 2023:

(In thousands of Euro)	For the year ended 31 December	
	2024	2023*
Net profit for the year	103,839	73,862
Income tax expense	77,052	63,277
Finance income	(9,038)	(28,139)
Finance expenses	215,400	220,287
Share of loss / (income) of equity accounted investments	(1,663)	8,965
Depreciation, amortization and impairment	244,353	194,678
Cost related to M&A and international activities** (a)	8,298	19,762
Integration costs*** (b)	33,713	12,534
Other non-recurring (income)/expense**** (c)	34,968	15,125
Total non-recurring not included in Adjusted EBITDA (a+b+c)	76,979	47,421
Of which:		
-Monetary costs not included in Adjusted EBITDA	68,491	35,192
-Non-monetary costs not included in the Adjusted EBITDA	8,488	12,229
Adjusted EBITDA	706,922	580,351

* Figures for the year ended 31 December 2023 have been restated following the completion of the purchase price allocation relating to Ricreativo B S.p.A..
** The item mainly refers to advisory costs amounting to Euro 8.0 million for the year ended 31 December 2024 (Euro 17.7 million for the year ended 31 December 2023) , mainly related to the SKS365 Acquisition and other acquisitions.
*** Primarily represents costs incurred for the integration of acquired companies and expenses on corporate restructuring and redundancy.
**** For the year ended 31 December 2024 the item mainly related to platform migration costs, costs relating to non-recurring employee benefits, the provision adjustment related to the “Relaunch” decree, advertising costs and the write-off of assets.

The following table shows the reconciliation of Adjusted EBIT for the year ended 31 December 2024 and 2023:

(In thousands of Euro)	For the year ended 31 December	
	2024	2023*
Net profit for the year	103,839	73,862
Income tax expense	77,052	63,277
Finance income	(9,038)	(28,139)
Finance expenses	215,400	220,287
Share of loss / (income) of equity accounted investments	(1,663)	8,965
Amortization of assets resulting from business combinations	73,079	71,241
Other non-recurring costs and income excluded from Adjusted EBITDA	76,979	47,421
Adjusted EBIT	535,648	456,914

* Figures for the year ended 31 December 2023 have been restated following the completion of the purchase price allocation relating to Ricreativo B S.p.A..

The following table shows the reconciliation of Adjusted Net Profit for the years ended 31 December 2024 and 2023:

(In thousands of Euro)	For the year ended 31 December	
	2024	2023*
Net profit for the year	103,839	73,862
Amortization of assets resulting from business combinations	73,079	71,241
Other non-recurring costs and income excluded from Adjusted EBITDA**	75,316	56,386
Adjustments related to IPO, refinancing and SKS365 Acquisition	52,360	48,650
Of which:		
-Income from Interest rate swap	-	(19,845)
-Prepayment penalty on Gamma Bondco loan	-	16,473
-Bridge Facility	-	20,735
-Make-whole on notes repaid	26,443	12,680
-Effect of acceleration of the unamortized costs and net charge IRS on notes repaid and previous RCF	21,663	15,264
-Negative carry (net of accrued interest received from escrow account)	4,254	3,343
Other non-monetary items including in financial expenses	8,375	13,788
Tax effect (IRES + IRAP)***	(58,709)	(48,043)
Adjusted Net Profit	254,260	215,884
Adjusted Net Profit per Share****	1.01	0.86

* Figures for the year ended 31 December 2023 have been restated following the completion of the purchase price allocation relating to Ricreativo B S.p.A..
** The item includes non-recurring income from equity accounted investments amounting to Euro 1.7 million (expenses of Euro 9.0 million for the year ended 31 December 2023).
*** Tax effect is calculated based on the applicable tax regulations as of the periods illustrated.
**** Calculated based on number of shares issued as of 31 December 2024.



10. Group economic performance – by operating segment

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

<i>(In thousands of Euro, except %s)</i>	Online		Sports Franchise	
	FY24	FY'23	FY24	FY'23
BET (including other concessionaires)	24,492,740	16,203,559	3,578,320	2,824,521
BET (Lottomatica Group)	24,492,740	16,203,559	3,578,320	2,824,521
GGR	1,354,990	869,584	581,337	465,677
Revenues toward third parties	780,230	520,787	460,755	368,217
Other income toward third parties	3,206	1,972	3,623	2,832
Intragroup Revenues and Other income	22,894	24,051	6,297	8,140
Total Revenues and Income	806,330	546,810	470,675	379,189
Adjusted EBITDA	418,566	300,612	108,642	97,230
Adjusted EBITDA Margin**	53.6%	57.7%	23.6%	26.4%
Costs not included in Adjusted EBITDA				
Depreciation, amortization and impairment				
Finance income				
Of which non-recurring finance income***				
Finance expenses				
Of which non-recurring finance expenses***				
Share or profit/(loss) of equity accounted investments				
Profit before tax				
Income tax expense				
Profit for the year****				
Adjusted Net Profit*****				

* Figures for the year ended 31 December 2023 have been restated following the completion of the purchase price allocation relating to Ricreativo B S.p.A..
** Adjusted EBITDA Margin is calculated as Adjusted EBITDA / Revenues toward third parties.
*** For details of non-recurring finance income and expenses, please refer to the “Net finance expenses” section of this document.

Gaming Franchise		Unallocated/Eliminations		Total	
FY24	FY'23	FY24	FY'23	FY24	FY'23*
11,089,823	11,103,444	-	-	39,160,883	30,131,524
10,415,944	10,688,157	-	-	38,487,004	29,716,237
2,456,613	2,528,979	-	-	4,392,940	3,864,240
763,740	743,484	-	-	2,004,725	1,632,488
8,122	13,725	-	-	14,951	18,529
8,988	12,974	(38,179)	(45,165)	-	-
780,850	770,183	(38,179)	(45,165)	2,019,676	1,651,017
179,714	182,509	-	-	706,922	580,351
23.5%	24.5%			35.3%	35.6%
				(76,979)	(47,421)
				(244,353)	(194,678)
				9,038	28,139
				6,215	24,402
				(215,400)	(220,287)
				(58,575)	(73,052)
				1,663	(8,965)
				180,891	137,139
				(77,052)	(63,277)
				103,839	73,862
				254,260	215,884

**** Includes the effect of the Purchase Price Allocation (PPA), mainly in relation to the former Gamenet Group, to the acquired IGT business, Betflag, and SKS365, which had a negative impact of Euro 52.0 million on the profit for the year ended 31 December 2024 (Euro 50.8 million for the year ended 31 December 2023), of which Euro 73.1 million relating to higher depreciation and amortization and Euro 21.1 million to the lower tax charge (Euro 71.2 million relating to higher depreciation and amortization and Euro 20.4 million to the lower tax charge for the year ended 31 December 2032). For further details see Notes 8.6 and 8.10 in the Notes to the Consolidated Financial Statements.
***** For a reconciliation of Adjusted net profit, please refer to section “9. Group economic performance – Adjusted EBITDA, Adjusted EBIT and Adjusted Net Profit “ of this document.



10.1 Adjusted EBITDA

Online

Adjusted EBITDA of the Online segment was Euro 418.6 million for the year ended 31 December 2024, representing 59.2% of total Adjusted EBITDA, compared to Euro 300.6 million for the year ended 31 December 2023. The increase in Adjusted EBITDA is related to the growth in bet and revenues as well as the contribution of SKS365, as commented above. Adjusted EBITDA margin for the year ended 31 December 2024 decreased from 57.7% for the year ended 31 December 2023 to 53.6% for the year ended 31 December 2024, due to the integration of SKS365, which contributed to the increase in business with lower marginality, as well as an unfavourable sports payout effect.

Sports Franchise

Sports Franchise Adjusted EBITDA for the year ended 31 December 2024 was Euro 108.6 million, compared to Euro 97.2 million for the year ended 31 December 2023, representing approximately 15.4% of total Adjusted EBITDA. Adjusted EBITDA for the year ended 31 December 2024, is affected by the revenues trend and by the impact resulting from the integration of SKS365, whose business has lower marginality and higher payout.

Adjusted EBITDA margin decreased from 26.4% for the year ended 31 December 2023, to 23.6% for the year ended 31 December 2024.

Gaming Franchise

Gaming Franchise segment Adjusted EBITDA slightly decreased from Euro 182.5 million for the year ended 31 December 2023, to Euro 179.7 million for the year ended 31 December 2024 while Adjusted EBITDA margin slightly decreased from 24.5% for the year ended 31 December 2023 to 23.5% for the year ended 31 December 2024.

11. Cash flows

The following table shows details of the Group's cash flows for the year ended 31 December 2024 and 2023:

(In thousands of Euro)	For the year ended 31 December	
	2024	2023
Cash flow from operating activities (a)	524,338	407,532
Cash flow used in investing activities (b)	(341,348)	(640,882)
Cash flow generated /(used in) financing activities(c)	(313,516)	293,194
Net cash flow (a+b+c)	(130,526)	59,844
Cash and cash equivalents at the beginning of the year	294,682	234,838
Cash and cash equivalents at the end of the year	164,156	294,682

11.1 Cash flow from operating activities

Cash flow generated by operating activities was Euro 524.3 million for the year ended 31 December 2024, an increase of Euro 116.8 million compared to Euro 407.5 million for the year ended 31 December 2023 and mainly related to:

- cash flow from operating activities before the changes in net working capital of Euro 642.2 million for the year ended 31 December 2024, an increase of Euro 95.0 million compared to Euro 547.2 million for the year ended 31 December 2023. Such increase was substantially in line with the increase in Adjusted EBITDA (which increased by Euro 126.5 million from Euro 580.4 million for the year ended 31 December 2023 to Euro 706.9 million for the year ended 31 December 2024), partially offset by the trend in monetary costs related to M&A, international activities and IPOs, integration costs and other non-recurring income and expenses excluded from Adjusted EBITDA, which increased from Euro 35.2 million for the year ended 31 December 2023 to Euro 68.5 million for the financial year ended 31 December 2024, mainly related to the SKS365 integration;
- cash outflow from net working capital of Euro 36.3 million mainly due to payment to the previous SKS365 management following the change of control;
- taxes paid in the year, amounting to Euro 79.4 million.

11.2 Cash flow used in investing activities

Cash flow used in investing activities was Euro 341.3 million for the year ended 31 December 2024, a decrease of Euro 299.6 million compared to Euro 640.9 million for the year ended 31 December 2023.

For the year ended 31 December 2024, cash flows used in investing activities were mainly related to:

- recurring capital expenditure of Euro 86.9 million mainly relating to the renovation of betting PoS, owned and indirect gaming halls, software development and software licensing costs as well as AWP cabinets and motherboards;
- concession capital expenditure amounting to Euro 63.2 million mainly related to the renewal of concessions of Gaming Franchise (Euro 38.2 million) and Sports Franchise (Euro 24.9 million);
- extraordinary capital expenditure amounting to Euro 61.4 million, mainly related to (i) acquisition costs bolt-on M&A, distribution insourcing and deferred price components of previous acquisitions and (ii) the PoS network optimization project, carry over of previous year. Extraordinary capital expenditure includes the payment for the purchase of the remaining 30% of the share capital of Billions Italia S.r.l. and the remaining 49% of the share capital of New Matic S.r.l. not previously owned by the Group, amounting to Euro 5.8 million;
- the payment of the deferred price component related to the acquisition of Betflag amounting to Euro 50.0 million;
- net cash outflow for the SKS365 Acquisition amounting to Euro 87.4 million related to (i) the consideration paid, net of the cash acquired, amounting to Euro 591.7 million, partially offset by (ii) the cash flows from the release of the escrow account from the December 2023 Notes of Euro 504.3 million, including accrued interest, into which the funds had been transferred.

It should be noted that cash flows used in investing activities for the year ended 31 December 2023 includes Euro 497.5 million related to the issuance of the December 2023 Notes, deposited in an escrow account pending the completion of the SKS365 Acquisition.

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

(In thousands of Euro)	For the year ended 31 December	
	2024	2023
Recurring capex	(86,881)	(65,575)
Concession capex	(63,210)	(45,150)
Extraordinary capex	(61,410)	(34,042)
Of which:		
- Integration	(10,265)	-
- Bolt-ons (including deferred consideration)	(30,088)	(14,020)
- Other	(21,057)	(20,022)
Deferred price Betflag	(50,000)	-
Cash Capital Expenditures	(261,501)	(144,767)
Adjustments for:		
Investments in associated companies	-	(217)
Net disposal in financial assets	1,764	1,602
- Escrow account	504,281	(497,500)
- SKS365 Acquisition	(591,724)	-
- Acquisition of Billions Italia and New Matic minorities	5,832	-
Cash flow from investing activities	(341,348)	(640,882)

The following table shows the calculation of Operating Cash Flow for the years ended 31 December 2024 and 2023:

(In thousands of Euro)	For the year ended 31 December	
	2024	2023
Adjusted EBITDA	706,922	580,351
Capital expenditures in recurring capex	(86,881)	(65,575)
Capital expenditures in concessions capex	(63,210)	(45,150)
Operating Cash Flow	556,831	469,626



11.3 Cash flow generated / (used in) financing activities

Cash flow used in financing activities was Euro 313.5 million for the year ended 31 December 2024, compared to Euro 293.2 million generated in the previous year.

In relation to the Refinancing 2024 and the SKS365 Acquisition, cash flow used in financing activities amounted to Euro 52.9 million for the year ended 31 December 2024 and mainly related to:

- the issuance of the May 2024 Notes of Euro 900 million;
- the payment of transaction costs for the notes issue amounting to Euro 21.0 million, of which Euro 10.9 million related to the May 2024 Notes and Euro 10.1 million related to the December 2023 Notes;
- the early repayment of the 2024 Notes Repaid of Euro 900 million and the payment of the make-whole as a result of the early repayment of the 2022 Notes amounting to Euro 26.4 million;
- the payment of commitment fees on the bridge debt facility, which was initially subscribed for the SKS365 Acquisition and subsequently discharged upon the issuance of the December 2023 Notes, amounting to Euro 6.3 million (“**SKS365 Bridge Facility**”).

In relation to the ordinary activities, cash flow used in financing activities amounted to Euro 251.9 million for the year ended 31 December 2024 and mainly related to:

- net finance expenses paid of Euro 160.1 million, mainly related to (i) interest on the notes and (ii) finance expenses related to the revolving credit facility amounting to Euro 4.3 million (of which Euro 0.9 million related to the arrangement fees for the increase of RCF line);
- dividends paid of Euro 67.1 million;
- lease payments of Euro 24.7 million.

The cash flow generated from financing activities for the year ended 31 December 2023 mainly included net cash flows from: (i) the capital increase following the listing and (ii) the refinancing of the notes, which was repaid in the previous year.



12. Group financial position

12.1 Net financial indebtedness – ESMA

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

(In thousands of Euro)	As of 31 December	
	2024	2023
A. Cash	164,156	294,682
B. Cash equivalent	-	-
C. Other current financial assets	30,396	530,475
D. Liquidity (A+B+C)	194,552	825,157
E. Current financial debt	3,155	15,305
F. Current portion of non-current financial debt	97,236	150,488
G. Current Financial Indebtedness (E+F)	100,391	165,793
H. Net Current Financial Indebtedness (G-D)	(94,161)	(659,364)
I. Non-current financial debt	114,345	103,276
J. Debt instruments	1,934,091	1,917,021
K. Non-current trade and other payables	-	-
L. Non-Current Financial Indebtedness (I+J+K)	2,048,436	2,020,297
M. Net Financial Indebtedness - ESMA (H+L)	1,954,275	1,360,933

Other current financial assets as of 31 December 2024 mainly include (i) cash held by operators, mainly related to cash in machines (i.e., in the hoppers and change machines) owned by Gamenet S.p.A., Lottomatica Videolot Rete S.p.A. and Big Easy S.r.l. but managed by external operators, amounting to Euro 23.3 million, and (ii) the escrow account related to the acquisition of Goldbet of Euro 5.0 million. As of 31 December 2023, the item also includes Euro 497.5 million related to the proceeds from the December 2023 Notes deposited into an escrow account pending the completion of the SKS365 Acquisition.

As of 31 December 2024, Current financial debt relates to mainly relates to the accrual of the interest rate swap derivative instruments. As of 31 December 2023, the item also included the commitment fees incurred following the subscription of the SKS365 Bridge Facility and the underwriting fees incurred for the issuance of the December 2023 Notes for a total amount of Euro 13.7 million.

The items Non-current financial debt and Current portion of non-current financial debt as of 31 December 2024, mainly related to:

- the current payable relating to the deferred price component in relation to the acquisition of Goldbet (now GBO Italy S.p.A.), amounting to Euro 27.6 million;
- the payable relating to the acquisition of Rete Gioco Italia S.r.l., amounting to Euro 5.7 million;
- the payable relating to the acquisition of Ricreativo B, amounting to Euro 2.5 million;
- payables relating to other acquisitions totaling Euro 15.3 million;
- the payable relating to the eventual exercise of put options on minority interests, amounting to Euro 56.6 million;

- the payable related to bank borrowings, amounting to Euro 2.6 million;
- the liability for accrued and unpaid interest on the notes issued for an aggregated amount of Euro 8.7 million;
- the financial liability recognized following the adoption of IFRS 16 of Euro 81.2 million.

“Debt Instruments” as of 31 December 2024 refers to:

- the May 2024 Notes issued for a total principal amount of Euro 900 million (recognized at amortized cost of Euro 890.1 million as of 31 December 2024);
- the December 2023 Notes issued for a principal amount of Euro 500 million (recognized at amortized cost of Euro 487.7 million as of 31 December 2024);
- the senior secured notes issued on 1 June 2023 for a principal amount of Euro 565 million (recognized at amortized cost of Euro 556.3 million as of 31 December 2024) bearing interest at a fixed annual rate of 7.125%, to be paid semiannually (the “**June 2023 Notes**”).

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

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

12.2 Net Financial Debt

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

(In thousands of Euro)	As of 31 December	
	2024	2023
2022 Notes*	-	350,000
June 2023 Notes*	565,000	1,115,000
December 2023 Notes*	500,000	500,000
May 2024 Notes*	900,000	-
IFRS 16	81,169	75,908
Cash and cash equivalents**	(173,344)	(792,182)
Net Financial Debt	1,872,825	1,248,726

* Represents the principal amount of the debt.
** As of 31 December 2024, the item includes Euro 9.2 million relating to SKS365 guarantee deposits, collected in January 2025. As of 31 December 2023, the item includes Euro 497.5 million related to the proceeds from the December 2023 Notes deposited into an escrow account pending the completion of the SKS365 Acquisition.



13. Reconciliation between shareholder’s equity and net profit of the company and consolidated shareholders’ equity and net profit

The table below shows a reconciliation of the Shareholders’ equity and Net profit of the Company and consolidated Shareholders’ equity and Net profit as of and for the years ended 31 December 2024 and 2023:

	Shareholders' Equity as of 31 December	Net profit for the year ended 31 December	Shareholders' Equity as of 31 December	Net profit / (loss) for the year ended 31 December
(In thousands of Euro)	2024		2023*	
Company financial statements	777,615	311,683	532,655	(3,422)
Share of equity and net profit of consolidated subsidiaries, net of carrying amount of the related investments	10,971	283,721	177,464	141,227
Elimination of dividends from subsidiaries	-	(448,249)	-	(16,500)
Elimination of intercompany profits and losses included in fixed assets	(1,318)	109	(1,526)	(499)
Consolidation entries	(269,299)	(48,667)	(210,581)	(52,863)
Shareholders' equity and net profit for the year attributable to the Group	517,969	98,597	498,012	67,943
Non-controlling interests	47,534	5,242	43,218	5,919
Total shareholders' equity and net profit for the year	565,503	103,839	541,230	73,862

* Consolidated shareholders' equity and consolidated net profit as of and for the year ended 31 December 2023 have been restated following the completion of the purchase price allocation process of Ricreativo B S.p.A..

14. Information on corporate governance

The Group is committed to maintaining a consistent ethical conduct standard, while respecting the cultures and business practices of the countries and communities in which it operates. Compliance with the Code of Ethics by directors, managers, employees, as well as by all those who work to achieve the objectives of the Group, each within their own area of responsibility, is essential to the efficiency, the reliability and reputation of the Group, factors that are decisive for its success.

The principles and guidelines set out in the Code of Ethics are addressed and analyzed in other company policies and procedures.

The corporate governance system adopted by the Company complies with the indications contained in the Corporate Governance Code published by Borsa Italiana S.p.A. In compliance with regulatory obligations, the company prepares the report on corporate governance and ownership structures (the “CG Report”), that contains a general description of the corporate governance system adopted by the Group and contains information on the ownership structure and compliance with the corporate governance code, including the main governance practices applied and the characteristics of the internal control and risk management system also in relation to the financial reporting process.

The aforementioned CG Report can be consulted on the website www.lottomaticagroup.com in the section “Sustainability – ESG resources and policies”. The corporate governance code is available on the website of Borsa Italiana S.p.A. www.borsaitaliana.it.

The Board of Directors, on the proposal of the Appointments and Remuneration Committee, defines the remuneration policy, in compliance with the regulatory provisions and the recommendations of the Corporate Governance Code. Pursuant to the law, the remuneration and compensation policy constitutes the first section of the Report on the remuneration policy and compensation paid and will be submitted to the Shareholders’ Meeting called to approve the 2024 financial statements.

15. Main risks and uncertainties

15.1 Operational risk

Lottomatica Group S.p.A. adopted, on 27 February 2023, with a resolution of the Board of Directors, the Organization, Management and Control Model envisaged by Legislative Decree 231/2001, a Group Ethics Code and nominated a Supervisory Board.

On the same date, Lottomatica Group S.p.A.’s Board of Directors also adopted the whistleblowing procedure and the document “ Anti-Bribery & Corruption policy and guidelines” which outlines the Group’s commitments on corruption prevention, setting out the general principles and rules of conduct to be followed.

Subsequently, on 27 July 2023, the Board of Directors approved the new revision of the procedure that incorporates the intervening regulatory changes (Legislative Decree No. 24/2023 -Implementation of Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019, on the protection of persons who report breaches of Union law and laying down provisions concerning the protection of persons who report breaches of national laws).

In relation to anti-bribery, the main entities of the Group (Gamenet S.p.A., Lottomatica Videolot Rete S.p.A. and GBO Italy S.p.A.) obtained UNI ISO 37001:2016 “Anti bribery management system” certification in July 2022, an international standard for management created in order to reduce the risks and costs associated with possible corruption phenomena, issued by an accredited certification body.

In addition, in June 2023, the anti-bribery certification according to the UNI ISO 37001:2016 “Anti bribery management system” standard obtained in 2022 by other Group entities was extended to Lottomatica Group S.p.A. and the “Anti-Bribery & Corruption Policy and Guidelines” was adopted by the Board of Directors on 27 February 2023. The document aims to continuously improve the sensitivity of people who collaborate with the Lottomatica Group to recognize corruption phenomena and cooperating in preventing, countering and reporting possible violations. Furthermore, during 2024, Betflag S.p.A. and PWO Limited obtained certification according to the UNI ISO 37001:2016 standard.

With regard to risk management, it should be noted that in July 2019 Lottomatica Group approved the update of the Enterprise Risk Management (ERM) Model, a development of the ERM Model already



implemented in 2017 and which provided for the alignment of the specific components to the principles defined in the “Enterprise Risk Management Framework - Integrating with Strategy and Performance” (COSO ERM 2017) as well as the identification of a specific set of Key Risk Indicators.

Subsequently, the ERM Model was revised in September 2020, in order to incorporate the organizational changes that occurred in the Group, and in July 2021 following the acquisition of Lottomatica Scommesse S.p.A., Lottomatica Videolot Rete S.p.A. and Big Easy S.r.l..

During the first half of 2022, the Group proceeded with an evolution and digitization of the management and reporting process of its set of Key Risk Indicators, through the use of a specific tool (“Digital ERM”) which allows to detect and monitor the level of exposure to the main risks within the ERM Model.

The current ERM Model includes n. 45 Risk Areas associated with the related process and related owner and whose positioning in the Risk Control Panel is assessed using two different assessment drivers (inherent risk and mitigation monitoring). Furthermore, with specific reference to ESG risks, for each risk category present in the ERM we have identified the risk areas and any opportunities generated by sustainability aspects that have or could have a significant influence on the Group's development, financial position, economic results, financial flows or the cost of capital in the short, medium or long term.

15.2 Environmental risk

The Group considers as a strategic priority the prevention and management of risks that could jeopardize the achievement of objectives and business continuity. In this regard, the Group has identified the main risks related to climate change or environmental issues that may have implications or an impact on business activities. The potential risks identified are those related to climate change, both in terms of physical risks, more frequent extreme weather events or gradual changes in the climate (e.g., floods, rising temperatures, dwindling resources, etc.) and/or related to increased operating costs for extraordinary maintenance activities (e.g., for restoring the condition of assets following damage incurred), and in terms of transition risks, i.e., related to the transition to a low-carbon and/or more environmentally sustainable economy.

However, considering the Group's activities and the low likelihood that the identified climate risks will impact the business, the Group's current exposure to the consequences of climate change is considered to be limited in terms of the impacts on strategy and financial cash flows (see the Consolidated sustainability statement for more details).

15.3 Financial risk

The Group's activities are exposed to a series of risks and uncertainties that may affect its financial position, economic performance and cash flows. With regard to the Group's exposure to financial risks, please refer to Note 3 to the Consolidated Financial Statements.

16. Other information

16.1 Research and development

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

16.2 Intragroup and related party transactions

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

For a detailed disclosure of the transactions during the year ended 31 December 2024, please refer to the information in Note 10 to the Consolidated Financial Statements.

The Board of Directors of the Company, on 5 May 2023, has approved a procedure for transactions with related parties (“**RPT Procedure**”), subject to the favorable opinion of the Related Parties Committee, pursuant to the provisions on related party transactions adopted by CONSOB. The RPT Procedure can be consulted, together with the other documents on corporate governance, on the website <https://lottomaticagroup.com>.

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

As of 31 December 2024, the Company does not hold directly or through trustees or nominees, any treasury shares or shares of other parent companies, nor has it acquired or sold such shares or quotas during the year.

16.4 Atypical and/or unusual transactions

In accordance with the disclosures required by Consob Communication DEM/6064293 dated 28 July 2006, the Company did not carry out any atypical and/or unusual transactions during 2024.

16.5 Outlook

For the year ended 2025, the Group expects to reach consolidated results of:

- Revenues: Euro 2,320-2,370 million;¹²
- Adjusted EBITDA: Euro 840–870 million;¹²
- Capex:
 - Recurring: approximately Euro 85 million;

¹²) Calculated assuming a blended normalise sports betting payout of 80.5% for retail and 85.5% for online.



- Concession: approximately Euro 105 million, of which approximately Euro 75 million for the retail concession (in prorogation regime), approximately Euro 8 million for AWP NOE extension for 2025 and 2026 and approximately Euro 22 million one-off for the first tranche of the 9-year online concessions (second tranche of Euro 14 million expected in 2026);
- Carry-over from 2024: Euro 27 million for bolt-ons, Euro 28 million for Goldbet earn-out and Euro 11 million for deferred consideration.

17. Significant events occurring after 31 December 2024

For details of significant events occurring after 31 December 2024, see Note 11.8 to the Consolidated Financial Statements.

18. Management and coordination activities

Lottomatica Group S.p.A. is not subject to management and coordination by companies or entities and defines its general and operational strategic guidelines in full autonomy. Pursuant to art. 2497 bis of the Civil Code, the Italian subsidiaries have identified Lottomatica Group S.p.A. as the entity that exercises management and coordination activity.

This activity consists in indicating the Group's general and operational strategic guidelines and takes the form of defining and adapting the internal control system and the governance model and corporate structures.

Exception from the obligation to publish information documents

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

On behalf of the Board of Directors

Chief Executive Officer
Guglielmo Angelozzi

Consolidated sustainability statement

1. General information

Generating sustainable value and delivering safe, innovative gaming experiences are at the core of Lottomatica's mission. The Group's commitment to creating positive impacts for the people, the environment, and all stakeholders is demonstrated by its ambitious and rigorous approach to managing ESG issues. Over the years, Lottomatica has established robust governance and a comprehensive ESG strategy, designed to integrate sustainability drivers into its business model. This strategy comprises an extensive Sustainability Plan – centred around the strategic pillars of Responsibility, People, Community, and Environment – as well as a set of dedicated Policies and Programmes.

As a leading player in the public gaming sector, Lottomatica recognises its role in combating climate change and fostering responsible practices throughout the value chain. In 2024, the Group introduced a targeted environmental sustainability strategy aimed at significantly reducing its carbon footprint over the medium term, while encouraging sustainable conduct across its supply chain. Lottomatica's commitment also extends to creating value for the community through projects that aim to stimulate socio-economic development in the regions where it operates, enhance quality of life, promote human capital development, and actively engage stakeholders and employees.

Looking to the future with a sense of responsibility, Lottomatica acknowledges that its success must also be measured by its ability to generate positive, measurable impacts that go beyond financial results.

Lottomatica also actively pursues public interest objectives, including the protection of legality and consumer rights, with a particular focus on safeguarding minors, namely through the promotion of a robust model of legal and responsible gaming that has been fully integrated within its strategies and daily operations, and by adopting the highest standards of ethics and integrity through a robust governance framework designed to protect all stakeholders.

Looking to the future with a sense of responsibility, Lottomatica acknowledges that its success must also be measured by its ability to generate positive, measurable impacts that go beyond financial results. To ensure transparency and integrity in its ESG performance, this Consolidated sustainability statement has been prepared in compliance with the requirements of the Corporate Sustainability Reporting Directive (CSRD) and Legislative Decree 125/2024, as well as the European Sustainability Reporting Standards (ESRS).





1.1 Basis for preparation

Disclosure
requirement
BP-1

General basis for preparation of the Consolidated sustainability statement

Lottomatica Group's 2024 Sustainability statement has been **prepared on a consolidated basis**, with the reporting boundary (including the Parent Company and all fully consolidated entities) aligned with that of the consolidated financial statements. The Consolidated sustainability statement also includes information on **Lottomatica's value chain**, identified based on the guidance provided by EFRAG to ensure compliance with article 29 (a) (3) of the Corporate Sustainability Reporting Directive. In particular, the information required by the principles concerning upstream and downstream actors in the value chain has been reported in this document, concerning:

- the double materiality analysis process, with a focus on identifying material impacts, risks, and opportunities;
- the Group's policies, actions, and objectives, with varying levels of detail depending on the degree of control and influence;
- the identification of key metrics, particularly concerning Scope 3 emissions reporting.

For the period under review, it should be noted that no information has been omitted from this document due to intellectual property concerns, innovation-related confidentiality, or ongoing developments and negotiations. Likewise, some voluntary information deemed necessary for a comprehensive representation of the Group's sustainability commitments and achievements has been included.

Disclosure
requirement
BP-2

Disclosures in relation to specific circumstances

Lottomatica Group has aligned its **time horizons** with the Group's Enterprise Risk Management (ERM) model: defining short-term as 1 year, medium-term as 1 to 3 years, and long-term as more than 3 years. While this approach differs from the time frames established by ESRS 1, it reflects the periods used in the Group's financial statements and strategic planning. Finally, it is specified that the time horizons considered in the Climate Risk Assessment do not coincide with those indicated throughout the Consolidated sustainability statement and are as follows: 2025 for the short term, 2030 for the medium term and 2050 for the long term.

Estimates

Estimates were used for the performance metrics related to waste data, the gender pay gap, average supplier payment time, and Scope 1, 2, and 3 emissions. Further details in this regard are provided in the relative sections.¹³

¹³ For more details on the calculation methodologies used, please refer to the following paragraphs: E1-6 (Scope 3); E5-5 (waste); S1-15 (gender pay gap); G1-6 (average payment time).

Disclosures required by other legislation or sustainability provisions

The reporting of certain information was also done in consideration of other recognised regulations, standards and frameworks for sustainability reporting, such as the EU Regulation 2020/852 (EU Taxonomy), the UN Global Compact (UNGC), the Greenhouse Gas Protocol (GHG Protocol) and ISO 14064:2018.

Transitory provisions

The Group has opted to apply the phase-in provisions outlined in Appendix C of ESRS 1, applicable to Lottomatica, with the exception of the following requirements: E1-9 "*Potential financial effects from material physical and transition risks and potential climate-related opportunities*", with specific reference to requirement 65 a); S1-7 "*Characteristics of non-employee workers in the undertaking's own workforce*"; S1-8 "*Collective bargaining coverage and social dialogue*"; S1-11 "*Social protection*"; S1-12 "*Persons with disabilities*"; S1-13 "*Training and skills development metrics*"; S1-14 "*Cases of occupational illness, number of days lost and information about non-employee workers*"; S1-15 "Work-life balance".

Further considerations

It should be noted that for the purpose of preparing this Sustainability Statement, the first in line with CSRD and ESRS, no comparative data were provided as required by ESRS 2-BP 2, and ESRS relating to changes and reporting errors in previous periods are not considered applicable. Furthermore, there are no references to sections of the Annual Report or external corporate documents. With reference to the future financial resources that are expected to be allocated to the actions reported within the ESRS topics, it is specified that the amount reported currently refers to what is estimated for 2025. With reference to the metrics reported in the chapters "Environmental Information", "Social Information" and "Governance Information", it is specified that the data has not been subjected to an independent audit by an external body.

1.2 Governance

The role of the administrative, management and supervisory bodies

Disclosure
requirement
GOV-1

The Parent Company, Lottomatica Group, has adopted the **traditional Italian administration and control system**, consisting of **two corporate bodies** appointed by the Shareholders' Meeting: **the Board of Directors**, made up of 11 members with broad authority over the Company's ordinary and extraordinary administration, and **the Board of Statutory Auditors**, made up 3 standing auditors and 2 alternates, responsible for overseeing administrative practices and ensuring compliance with legal and statutory requirements. The Board of Directors is also responsible for determining and overseeing the management and coordination activities among the other Group companies.

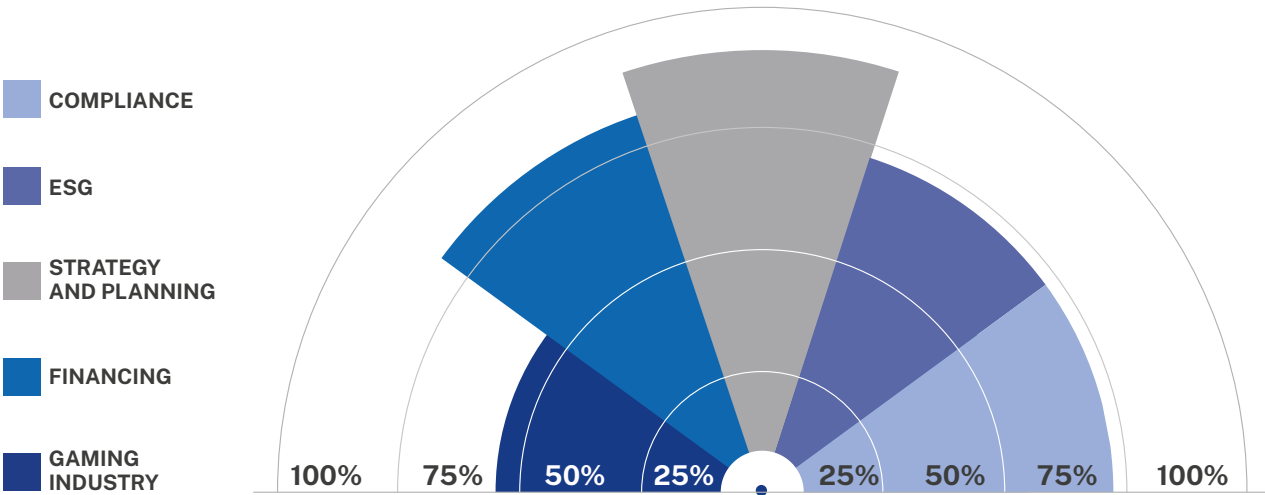
Administrative, management and control bodies	u.m.	2024		
		Men	Women	Total
Members of the administrative, management, and control bodies		7	7	14
Of which executives	No.	1	0	1
Of which non-executives		6	7	13



At 31 December 2024, the Board of Directors had an **average age of 52**, with **women¹⁴ representing 55%** of the members and **36% classified as independent** pursuant to the Consolidated Law on Finance and the Corporate Governance Code.

Members of the Board of Directors	u.m.	2024		Total
		Men	Women	
Members of the Board of Directors		5	6	11
Of which executives	No.	1	0	1
Of which non-executives		4	6	10
Of which independent		0	4	4
Gender diversity ¹⁵	%	120		
Independent members		36		

In addition to meeting the general knowledge requirements mandated by the current legislation, the members of the Board of Directors have also acquired expertise in the areas illustrated in the chart below. Specifically, besides professionals working in the **legal and financial fields**, there are professionals with experience in the **gaming sector in which the Group operates** and in **strategy and planning**, as well as in the **ESG field**, including aspects of climate change, human rights and business conduct. In addition to the presence of members with foreign nationality, the international scope is also ensured by members with solid experience in international contexts.



To ensure that members of the management and control bodies have the necessary skills and competencies, they are encouraged to participate in initiatives that enhance their understanding of the Company's business sectors, corporate dynamics, and their evolution, including from a sustainability perspective, as well as the principles of effective risk management and the relevant regulatory frameworks. To support this objective, the Chairman of the Board of Directors, with the assistance of the Secretary and the active involvement of the senior management, developed and implemented a **training plan for the Board**, known as the "Board Induction" plan. Moreover, in line with the international best practices, ongoing training sessions are conducted throughout their

14) For more detailed information on the Group Board of Directors' Diversity Policy, please refer to the "Summary of Policies" section in the "General Information" chapter.
15) Gender diversity within the Board of Directors is calculated as the average ratio of female to male members.

terms of office to provide greater insights on key topics. At the recommendation of Lottomatica's ESG Committee, a dedicated induction session was also held during the course of the year focusing on –among other things– ESG issues, particularly the implications of the entry into force of the European Directive on Corporate Sustainability Reporting Directive. This session was attended by members of both the Board of Directors and the Board of Statutory Auditors. Finally, the Board of Directors regularly receives periodical updates on the ESG Committee's activities and the progress of the corporate Sustainability Plan.

In keeping with the guidelines of the Corporate Governance Code, Lottomatica Group is committed to **ensuring corporate integrity and full transparency** in decision-making, including the **management of sustainability-related impacts, risks and opportunities**. Moreover, the Company has adopted a mission that aligns with the **17 Sustainable Development Goals**, encompassing all aspects of social, economic, and environmental development to which Lottomatica is dedicated to actively contributing, in an integrated and cohesive manner. In this regard, Lottomatica Group's governance bodies and structures have the ESG responsibilities listed below:

- The **Board of Directors**, with a **strategic role** and a **position of absolute centrality** in the Company's Corporate Governance system, with wide-ranging competences, also with regard to the organisation of the Company and the Group and the Internal Control and Risk Management System. The Board also has a central role in defining, on the proposal of the Chief Executive Officer, the strategic lines and objectives of the Company and the Group, pursuing their **sustainable success** – understood as the creation of value in the long term for the benefit of the shareholders and taking into account the interests of the other stakeholders relevant to Lottomatica – and constantly monitoring their implementation. The Board of Directors, in particular, defines and approves the Company's and the Group's **strategic guidelines**, which also include the **objectives of the Sustainability Plan**, as well as the nature and level of risk compatible with such strategic guidelines, taking into account all the elements that may be relevant with a view to sustainable success. The Board of Directors reviews and approves the **Five-Year Business Plan** for the Company and the Group, along with the corresponding budgets, taking into account factors that influence long-term value creation. Supported by the ESG Committee, the Board also periodically monitors the implementation of these plans and evaluates overall performance, consistently comparing the actual results with the planned objectives. The Board also determines the nature and risk level compatible with the Company's strategic goals, considering all factors that could impact the Company's sustainable success.

In its activities, **the Board of Directors is supported by Committees** that analyse, each one for their respective areas of competence, issues relevant to the generation of long-term value:

- The **Board's Internal ESG Committee**, made up of three members with multidisciplinary expertise, including sustainability, supports the Board of Directors in tasks related to **promoting the integration of sustainability into the Group's strategy and corporate culture**, overseeing how ESG issues are integrated into the business model, and ensuring their communication to all stakeholders. It also provides preliminary, proactive and consultancy support regarding the sustainability guidelines and objectives, overseeing the initiatives and programmes promoted by the Company aimed at achieving them, monitoring the relative results, and ensuring a continuous dialogue with the stakeholders. The ESG Committee is also in charge of reviewing and assessing the evolution of international sustainability trends and principles, providing guidelines for the adjustment of medium-long term strategies and monitoring the progress



of actions undertaken, as well as reviewing the Consolidated sustainability statement and assessing the eligibility of periodic non-financial information. Lastly, the ESG Committee carries out its activities by interacting with the Company's operational and managerial Sustainability Committee and, more generally, with any corporate function in charge of the governance of ESG strategies and programmes, and reports to the Board on its activities at least once a year, submitting a report on its activities to the Board of Directors.

- The **Control and Risk Advisory Committee** assists the Board of Directors by providing investigative, propositional, and advisory support in **evaluating and making decisions about the internal control and risk management system**, as well as in approving the periodic financial reports. Its responsibilities include:
 - establishing guidelines for the internal control and risk management system, in alignment with the Company's strategies;
 - conducting at least an annual assessment of the adequacy and effectiveness of the internal control and risk management system, considering the Company's specific characteristics and risk profile.

To further support these areas, the Group includes the involvement of the following bodies: the ESG Office, the ESG Managerial Operating Committee, the Environmental Sustainability Committee, the Responsible Gaming Committee, the Diversity & Inclusion Committee, and the Gender Equity Steering Committee. Furthermore, in line with regulatory requirements, a Non-Financial Reporting Officer was identified, a figure coinciding with the Financial Reporting Officer.

Disclosure
requirement
GOV-2

Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

Lottomatica recognises the importance of consistently informing the administrative, management, and control bodies, as well as their respective Committees, about the implementation of the Company's sustainability policies and the outcomes and effectiveness of the actions taken. This approach ensures that business decisions are supported by a **thorough assessment** of the risks and opportunities, thus ensuring **proactive and well-informed management** of ESG issues. In line with this commitment, the Board of Directors continuously monitors material impacts, risks, and opportunities through its advisory committees, mainly the Audit and Risk Committee and the ESG Committee. These committees convene regularly, engaging with the Company's management for detailed analyses and updates on the business activities. Every six months, they provide the Board of Directors with a comprehensive report detailing the activities conducted, the results of the controls performed, analyses of impacts, risks, and opportunities, and any critical issues requiring the Board's attention. The Board of Directors is responsible for considering these impacts, risks, and opportunities when shaping the Company's strategy and making decisions on significant operations, relying on periodic reports from the CEO, in accordance with Article 2381 of the Italian Civil Code. With particular regard to 2024, through the collaborative efforts of the Control and Risk Committee and the ESG Committee, the Board of Directors closely monitored the assessment of climate change related impact on the Lottomatica Group companies' operations. This assessment led to the revision and integration of that risk into the Group's Enterprise Risk Model.

Integration of sustainability-related performance in incentive schemes

Disclosure
requirement
GOV-3

Lottomatica Group's Remuneration Policy, applicable to **members of the Board of Directors, Statutory Auditors**, and **Executives** with **Strategic Responsibilities** (ESR), supports the achievement of the Company's strategic objectives through short-and long-term incentive systems and the establishment of performance targets to promote the creation of sustainable value for shareholders and other stakeholders. The 2024 incentive schemes include the following key components:

- Short Term Incentive (STI), which utilises a range of operational, financial, and non-financial KPIs to provide a comprehensive performance assessment, including:
 - Management by Objectives (MBO), covering both basic and extra-performance goals;
 - VIP Incentive Plan;
 - Sales Incentive Plan (SIP);
 - Collector Incentive Plan.
- Long Term Incentive (LTI), designed as a three-year stock option plan with vesting conditions tied to financial, market, and sustainability KPIs. This includes a two-year lock-up mechanism to enhance retention and promote alignment with the Company's strategic goals:
 - Cumulative EBITDA;
 - Total Shareholder Return (TSR) vs Gaming Peers;
 - Total Shareholder Return (TSR) vs FTSE MIB;
 - Bonus/Malus ESG.

In 2024, the Board of Directors approved and updated the terms of the sustainability-related incentive schemes, allocating a substantial portion of the incentive targets to sustainability KPIs, including:

- *reduction of environmental impacts*: lowering emissions through the adoption of a decarbonisation strategy and roadmap;
- *inclusion and diversity*: implementing gender equality training in recruitment and promotion processes and organising a programme to enhance the female leadership pipeline;
- *responsible gaming*: launching awareness campaigns and developing an analytical tool in collaboration with CePID (Gemelli) to identify online gamblers at risk.

These sustainability metrics have been integrated into both the STI and LTI systems as follows:

- within the STI plan, ESG KPIs constitute a significant portion of the target sheet, accounting for an average 15% of the variable remuneration, which reaches 20% for top management;
- in the LTI plan, the achievement of ESG targets directly influences the allocation of stock options through a bonus/malus mechanism.



Disclosure
requirement
GOV-4

Statement on due diligence

Key elements of sustainability due diligence	Disclosure requirements	Page	Disclosure concerning	
			People	Environment
a. Integration of due diligence into governance, strategy, and the business model	ESRS 2 GOV-2	58	X	X
	ESRS 2 GOV-3	59	X	X
	ESRS 2 SBM-3	72-75	X	X
	ESRS 2 SBM-3-E1	110		X
	ESRS 2 SBM-3-S1	131-132	X	
	ESRS 2 SBM-3-S2	157	X	
	ESRS 2 SBM-3-S4	165-166	X	
b. Stakeholder involvement	ESRS 2 GOV-2	58	X	X
	ESRS 2 SBM-2	70-71	X	X
	ESRS 2 IRO-1	76-80	X	X
	ESRS 2 IRO-2	86-88	X	X
	ESRS 2 MDR-P	81-85	X	X
	S1-2	137-138	X	
	S2-2	158-159	X	
c. Identification and assessment of negative impacts on people and the environment	S4-2	167	X	
	ESRS 2 IRO-1	76-80	X	X
	ESRS 2 SBM-3	72-75	X	X
	ESRS 2 SBM-3-E1	110		X
	ESRS 2 SBM-3-S1	131-132	X	
	ESRS 2 SBM-3-S2	157	X	
d. Implementation of measures to mitigate negative impacts	ESRS 2 SBM-3-S4	165-166	X	
	E1-1	108-109		X
	E1-3	111-113		X
	E5-2	121-125		X
	S1-4	141-149	X	
	S2-4	160-161	X	
e. Monitoring the effectiveness of these measures	S4-4	168-171	X	
	MDR-T/E1-4	113-115		X
	MDR-T/S1-5	149	X	
	E1-6	116-120		X
	E5-5	125-126		X
	S1-6	150	X	
	S1-8	151	X	
	S1-10	152-153	X	
	S1-11	153	X	
	S1-14	155	X	
	S1-16	156	X	
	S1-17	156-157	X	

Risk management and internal controls over sustainability reporting

Disclosure
requirement
GOV-5

In response to recent developments in sustainability reporting regulations, Lottomatica launched a comprehensive project in 2024 to adapt its sustainability reporting process to comply with Legislative Decree 125/2024 and the new European Sustainability Reporting Standards (ESRS). As part of this initiative, Lottomatica began designing and gradually implementing a **sustainability reporting control** model to ensure the **reliability** of sustainability information and its **adherence** to the reporting standards.

From a governance perspective, this model also aims to support Lottomatica's Chief Executive Officer and Financial Reporting Officer in drafting Lottomatica's corporate accounting documents and in certifying to the Market that Lottomatica's Sustainability Reporting complies with the European Reporting Standards (ESRS) and the requirements laid out under article 8(4) of Regulation (EU) 2020/852, commonly known as the EU taxonomy. Regarding this matter, on 5 February 2025, the Board of Directors approved an updated version of the "Responsible Manager Regulation," incorporating aspects related to sustainability reporting.

The control model for sustainability reporting defined by Lottomatica considered the principles established by national and international best practices, particularly those outlined by the *Committee of Sponsoring Organisations of the Treadway Commission* (CoSO). In March 2023, CoSO published a specific supplementary guide on sustainability reporting titled "*Achieving Effective Internal Control of Sustainability Reporting* (ICSR)". In alignment with the CoSO Report principles, the methodology used for risk assessment and prioritisation is based on the following approach:

- Determination of the scope of analysis: this is determined by the subject indicators presented in Lottomatica's Sustainability Report, prepared in accordance with Legislative Decree no. 125/2024.
- Risk analysis: Indicators are evaluated and ranked based on a risk/relevance analysis, considering the following key drivers:
 - centrality of the KPI to Lottomatica's sustainability policies;
 - significance of the KPI with respect to the ratings by rating agencies;
 - relevance of the KPI with respect to potential reputational impacts;
 - relevance of the KPI to managerial incentives;
 - complexity of the KPI.

For indicators identified as having a higher risk/relevance and for the Group companies significantly contributing to these indicators, Lottomatica's approach involves analysing the business processes from which these indicators originate. This includes assessing the risks of non-compliance with the relevant requirements, faithful representation, comparability, verifiability, and comprehensibility, which are essential for sustainability information disclosed under the ESRS. It also includes evaluating the controls implemented to mitigate these risks. The outcome of this analysis consists of **procedures for the generation and communication of sustainability data and information** (referred to as KPI formation procedures). According to this approach, the primary risks identified are: completeness and integrity of data; accuracy of estimation results; precision and relevance of descriptions; and availability and timeliness of data, especially those involving third parties.

To address these risks, the following key **control measures** have been established:

- approval and management review controls;
- data reconciliation checks;
- automated checks to verify the correct calculation and entry of data into computer systems;
- controls on logical access to systems and traceability of operations performed on the system used for Sustainability Reporting;
- consistency checks of reported sustainability data with respect to the ESRS reference standards;
- analysis of data deviations from historical time series.

It should also be noted that Lottomatica’s sustainability reporting process is managed using a **dedicated computer system**. This system has enhanced the efficiency and governance of the reporting process while also improving control processes through automated checks and detailed reports. Finally, the control model for sustainability reporting is integrated into Lottomatica’s broader **Internal Control and Risk Management System** (“ICRM”), which includes the following key elements:

- the establishment of ethical values and conduct criteria, ensuring that employees and all individuals working towards the Company’s objectives (including partners) adhere to these standards. This commitment is maintained through the guidelines provided in the Group Code of Ethics and the Anti-Bribery & Corruption Guidelines, approved by the Board of Directors on 27 February 2023: these guidelines apply to all subsidiaries and are communicated both internally and externally;
- roles and responsibilities, as well as the relationships between company departments and areas, are clearly defined within the established organisational structure. Signatory powers and internal delegations are aligned with the hierarchical level, the organisational unit overseen, and the assigned objectives.

In 2024, specific information flows were directed to the Administrative, Management, and Control Bodies to provide updates on the progress of the CSRD compliance programme, including the development of internal control and risk management processes related to sustainability reporting.



1.3 Strategy

Strategy, business model and value chain

Disclosure
requirement
SBM-1

Lottomatica Group is **Italy’s leading operator** on the **public gaming** market, authorised by the Customs and Monopolies Agency (ADM). It operates through subsidiaries under the holding company Lottomatica Group S.p.A. At 31 December 2024, the Group employed **2,667 people**.

Employees by geographical areas	u.m.	2024
Northern Italy	No.	615
Central Italy		1,432
Southern Italy		205
Abroad		415
Total		2,667

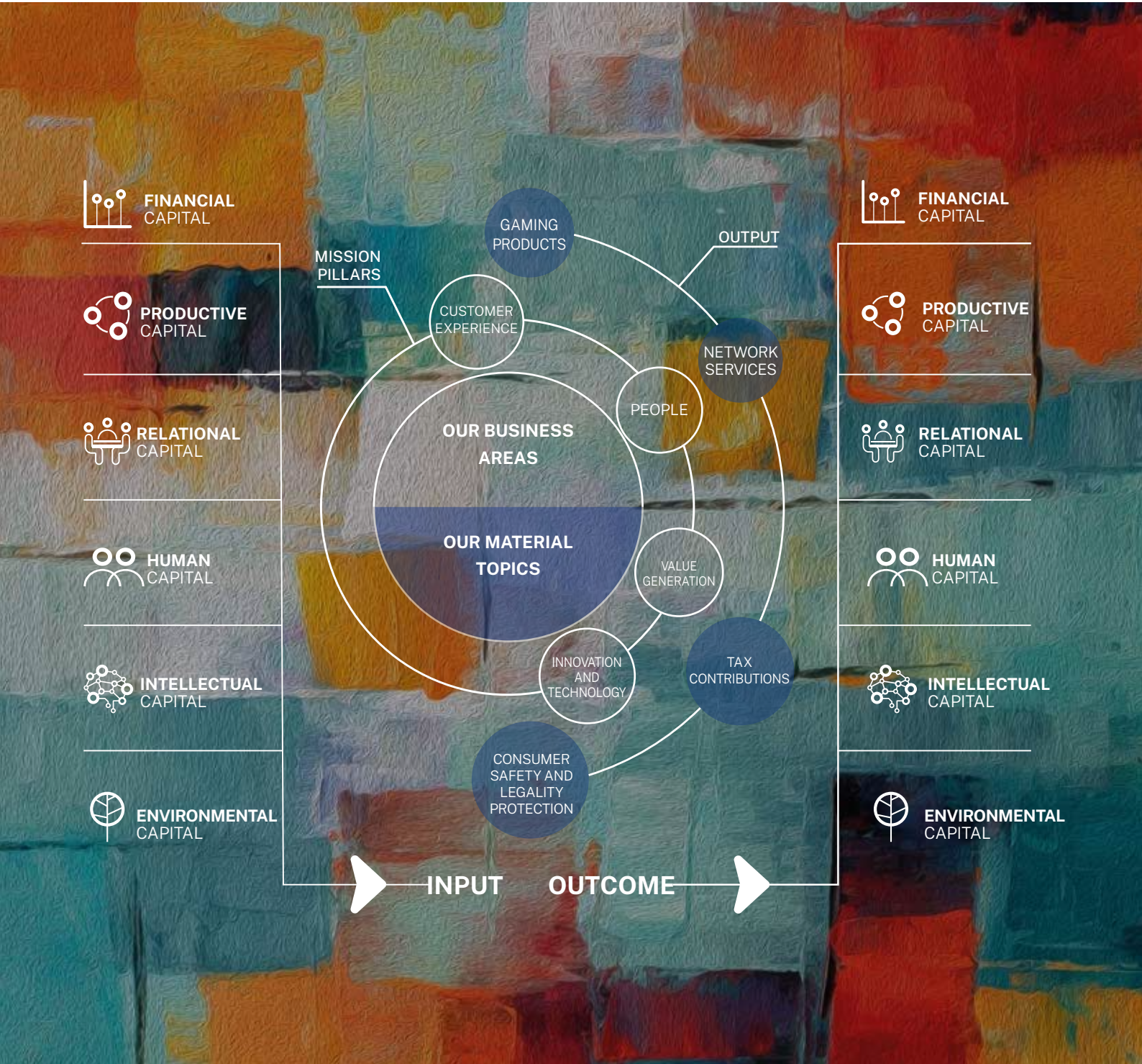
Lottomatica conducts its activities on the basis of sound **principles of environmental, social and governance responsibility**, and believes that its success in **generating sustainable value** depends primarily on its ability to respond effectively to the demands posed by the context in which it operates, managing in a conscious and balanced manner **all forms of capital** involved in the creation of such value.

Specifically, Lottomatica Group identifies the following classes of capital:

- financial capital, which includes the equity, economic and financial resources necessary for the organisation’s activities;
- production capital, which includes owned space and buildings, equipment and all the tangible assets functional to the performance of the activity;
- relational capital, which includes the set of relationships established by the Group;
- human capital, which includes the wealth of skills, abilities and knowledge of those who work for the Company;
- intellectual capital, which includes internal management processes and procedures, as well as intellectual property and information systems;
- environmental capital, which includes the environmental dimension on which the Group’s activities impact.



The value creation model describes the process of transformation of the different classes of capital with which the Group interacts, both in its own business and in pursuit of its ESG objectives. Through its **business activities**, the Group's **DNA traits** and the focus on **sustainability issues found to be relevant** by the double materiality analysis, capital inputs (*input*) are able to produce **successful outputs** and **generate positive impacts** (*outcome*), creating value for all stakeholders in the short, medium and long term.



In particular, Lottomatica operates in the following **business segments**, as defined by IFRS 8:

- Online, offering a wide range of online products, through the websites GoldBet.it, Better.it, Lottomatica.it, Betflag.it, Totosi.it, and Planetwin365.it. These are categorised as follows:
 - iSports: sports betting, virtual betting, and horse racing betting;
 - iGaming: online casino games;
 - other online products: including bingo, poker, betting exchange, and skill games.
- Sports Franchise, involving the collection of sports, virtual, and horse racing bets through a network of franchise outlets operated under the brands GoldBet, Intralot, Better, and Planetwin365.
- Gaming Franchise, primarily focused on managing concession activities for VLTs and AWP, as well as directly operating proprietary gaming halls and AWP.

In order to provide a comprehensive overview of its own business model, the Group conducted a **detailed mapping of its value chain** for the first time in 2024. This mapping was based on an analysis of internal documents, including the Annual Financial Report and records of the main operating and capital expenditure items. The activities and stakeholders involved throughout the three phases (own operations, upstream actors, and downstream actors) were mapped and organised according to the Group's operations, and in line with the criteria used in the reviewed financial documentation. In this breakdown, the activities were categorised based on relevance and dependence, considering their strategic importance to the Group and the extent to which the Group companies rely on the upstream and downstream stakeholders. The mapping of Lottomatica Group's value chain, organised by the three business sectors, is shown below.

Online

Lottomatica is Italy's leader in the online gaming segment, where it maintains a presence with the Lottomatica, Better, Goldbet, Betflag, and Planetwin365 brands. Having distinguished itself with the **highest security standards**, the Group's range of online products and services consists of a comprehensive and innovative portfolio of remote games, which can be enjoyed via the web, as well as through numerous dedicated apps for smartphones and tablets. The online games have been authorised and certified by Italy's **Customs and Monopolies Agency** to guarantee the highest levels of security, and are provided by select international partners, who not only offer the most popular content, but also the most secure and reliable gaming platforms.

Upstream			Own operations	Downstream
Tier 3	Tier 2	Tier 1	Betting and online gaming	Customers
- Suppliers of raw materials (for energy production and manufactured goods) - Manufacturers of hardware components	- Software development companies - Hardware suppliers and manufacturers (e.g. PCs and other components) - Computer servers - Certification and authorisation bodies (e.g. ADM)	- Odds makers - Gaming software providers (skill games, casino games, virtual games) - Suppliers of other software (management software, applications) - Suppliers of computer hardware (e.g. PCs) - Computer servers - Certification and authorisation bodies - Marketing and communication - Physical point-of-sale network	Primary operations - Sports betting - Skill games / casino games - Virtual games	Primary customers Player
	Tier 2 physical point-of-sale network - Odds makers - Game software suppliers (virtual games) - Suppliers of other software (management software, applications) - Hardware suppliers (e.g. totems, gaming hall terminals) - Computer servers - Gaming hall furnishings and accessories - Ho.Re.Ca. suppliers - Marketing and communication - Certification and authorisation bodies - Point-of-sale operators		Secondary operations Game software development (skill games, casino games)	Secondary customers Concessionaires and providers of skill games
			End-users Player	
Provision of services (utilities, waste, consultancy)				
- Utilities - Waste management - Consultancy (IT, legal, communication, etc.) - Electronic money institutions / financial intermediation				

- The operations of the Online segment primarily involve offering betting and online games (including skill games / casino games, and virtual games) on the Group's websites. Although minimal, B2B activities within this segment are also considered for mapping purposes. These activities are mainly carried out by subsidiaries like Giocaonline, which focuses on developing gaming software (skill games / casino games).
- Upstream, the value chain mainly consists of suppliers of betting odds and games (skill games, casino games, and virtual games), software application and computer hardware providers, computer server suppliers, authorisation and certification bodies for gaming products such as ADM, and marketing and communication companies. The physical point-of-sale network is also considered part of the upstream value chain due to its role in facilitating the opening and recharging of online gaming accounts. Service providers include utility companies (internet, telephony, electricity, etc.), waste management firms, and consultancy firms.
- Downstream, the customer is primarily the player, who is also the end user of the Group's online products. For mapping purposes, customers also include companies that purchase B2B products developed by the subsidiary Giocaonline, such as other remote gaming concessionaires.



Sports Franchise

The Group leads the **physical network betting and gaming sector** with four brands, which boast strong roots throughout the country: Better, Goldbet, Intralot and Planetwin365. Thanks to its network of thousands of outlets dedicated to sports betting, horse racing, and other gaming products, such as virtual games, as well as the professionalism of thousands of specialised operators, Lottomatica has become the leading betting operator in Italy. The betting network's points of sale are divided into shops and corners: the shops are environments dedicated to sports and betting, while the corners are more confined areas set up within other commercial establishments, like bars or tobacconists.

Upstream			Own operations	Downstream
Tier 3	Tier 2	Tier 1	Betting and physical network gaming	Customers
- Suppliers of raw materials (for energy production and manufactured goods) - Manufacturers of hardware components	- Software development companies - Hardware manufacturers - Computer servers - Certification and authorisation bodies (e.g. ADM) - Materials (furniture, marketing, Ho.Re.Ca.)	- Odds makers - Game software suppliers (virtual games) - Suppliers of other software (management software, applications) - Hardware suppliers (e.g. totems, gaming hall terminals) - Computer servers - Gaming hall furnishings and accessories - Ho.Re.Ca. suppliers - Marketing and communication - Certification and authorisation bodies - Point-of-sale operators	- Sports betting - Virtual games	Primary customers Player
				End-users Player
Provision of services (utilities, waste management, logistics, consultancy)				
- Utilities - Waste management - Logistics - Consultancy (IT, legal, communication, etc.)				

- Operations primarily involve offering sports betting and virtual games through the Group's network of sales outlets.
- Upstream, the value chain mainly includes suppliers of betting odds and virtual games, software application and computer hardware suppliers for the gaming halls, computer server suppliers, providers of gaming hall furnishings and accessories, and authorisation / certification bodies, such as the ADM. In line with the financial balance sheet, merchants operating betting shops and venues hosting corners are considered upstream in the value chain, as they provide the physical spaces for the Group's gaming products. Service providers include utility companies (internet, telephony, electricity, etc.), waste management companies, logistics firms responsible for transporting equipment to sales points, and consultancy firms.
- Downstream, the customer is primarily the player, who is also the end user of the Group's products.



Gaming Franchise

Thanks to top quality infrastructures and technologies designed to ensure maximum player protection, Lottomatica installs and monitors **amusement and entertainment machines** within public establishments and dedicated gaming halls throughout Italy. The Group is also engaged in the **direct management of gaming machines** (Street Operations) and **gaming halls** (Retail). Located throughout Italy, the gaming halls managed by Lottomatica have distinctive and recognisable brands, and have come to represent a benchmark for their high levels of service and customer attention, as well as for the quality and security of their products and services.

Upstream			Own operations	Downstream
Tier 3	Tier 2	Tier 1	AWP/VLT machines and direct management of gaming halls and owned AWP's	Customers
- Suppliers of raw materials (for energy production and manufactured goods) - Manufacturers of hardware components	- Software development companies - Hardware manufacturers - Computer servers - Certification and authorisation bodies (e.g. ADM) - Materials (furniture, marketing, Ho.Re.Ca.) - Suppliers of raw materials	- AWP game card suppliers - VLT gaming platform suppliers - Gaming hardware suppliers (including AWP and VLT cabinets, spare parts, cash desks, and coin changers) - Software suppliers (management software, applications) - Computer servers - Gaming hall furnishings and accessories - Ho.Re.Ca. suppliers - Marketing and communication - Certification and authorisation bodies - Point-of-sale operators (VLT and betting halls, bars / tobacconists) - AWP operators - TIR and QIR - Hardware component suppliers - Suppliers of semi-finished products	Primary customers - AWP and VLT telematics network management - Direct AWP management - Direct operation of gaming halls - Bingo Secondary customers - Production of gaming cards and AWP machines	Primary customers - Player Secondary customers - Concessionaires - AWP operators
Provision of services (utilities, waste management, logistics, consultancy)				End-users Player
- Utilities - Waste management - Logistics - Consultancy (IT, legal, communication, etc.)				

- Operations primarily involve managing the telematics network required for the functioning of AWP and VLT machines, as well as the direct management of AWP machines and gaming halls. The operation of several Group-owned bingo halls is also included within this segment. For mapping purposes, B2B activities conducted within this segment by subsidiaries such as Marim are also considered. These activities mainly involve the direct production of gaming cards and AWP machines.
- Upstream, the value chain primarily consists of suppliers of AWP cards, VLT gaming platforms, and gaming hardware such as AWP and VLT cabinets, cash desks, and coin changers. It also includes suppliers of computer software and servers, gaming hall furnishings and accessories, Ho.Re.Ca. suppliers for catering services offered at some locations, and licensing and

certification bodies, such as the ADM. In line with the financial balance sheet, merchants operating the points of sale (including VLT rooms, betting shops, and bars or tobacconists where AWP's are installed) are considered upstream in the value chain as they provide the physical spaces for the Group's gaming products. Upstream suppliers also include rental and management companies for AWP machines, as well as Third and Fourth Party Collection Agents (TIRs and QIRs), who are responsible for the periodic collection of the amounts played on the machines. For mapping purposes, several supplier categories essential to the B2B business of manufacturing AWP boards and gaming machines are also included, such as hardware component suppliers for gaming boards and suppliers of semi-finished products for cabinet manufacturing. Service providers include utilities (internet, telephony, electricity, etc.), waste management, and logistics companies, which are necessary for handling gaming machines and other point-of-sale equipment, as well as consulting firms.

- Downstream, the customer is primarily the player, who is also the end user of the Group's products. For mapping purposes, customers also include companies that purchase B2B products (such as cards and AWP machines), including other concessionaires and AWP machine management companies.

Operating under the stringent supervision of the Customs and Monopolies Agency and through the digital connection with SOGEI that tracks all gaming activities, online and offline enables the Group to ensure that all of its business activities **fully comply with the Italian regulations** and the **highest standards of legal compliance**, thus promoting a **responsible and safe gaming environment** for all customers.

Lottomatica's primary objective is to generate sustainable value and positive impacts for the community, the environment, and all stakeholders. Consequently, the Group has **progressively integrated sustainability** into a well-defined strategy.

In this regard, the Group's **Sustainability Plan** is based on **three strategic pillars**: Responsibility, People and Community, and the Environment. These pillars guide the company's sustainability commitments, programmes, and objectives, each supported by a series of actions and initiatives across its various operating sectors.

Disclosure
requirement
SBM-2

Interests and views of stakeholders

As a leading company in the highly strategic and sensitive public gaming sector, the Group's activities attract significant attention and interest from a **wide range of stakeholders**. With them, Lottomatica maintains a **transparent** and **open dialogue**, recognising the importance of their active engagement in developing a sustainable business model focused on value creation.

The Group has identified both its internal and external stakeholders, breaking them down into six main-categories, primarily based in Italy.

LOTTOMATICA'S STAKEHOLDERS

EMPLOYEES AND COLLABORATORS
of offices, points of sale,
and other workplaces

SHAREHOLDERS AND THE FINANCIAL COMMUNITY
including: credit institutions, investment funds,
shareholders, bondholders, potential investors,
and other financial entities

SECTOR OPERATORS AND SUPPLIERS
including: commercial partners, hardware and software
technology suppliers, logistics companies, service
providers, certification bodies, network operators,
consulting companies

CUSTOMERS
of the online and physical sales networks

REGULATORY BODIES AND PUBLIC
ADMINISTRATIONS
including: the Customs and Monopolies Agency, the Mini-
stry of Economy and Finance, Ministry of Health, Ministry
of Environment, Central and Local Administrations

COMMUNITIES
including: local communities, universities, scientific
research institutes, cultural and sports associations
and organisations, consumer associations, and the
media

Maintaining ongoing dialogue with stakeholders is essential for the Group, as their interests guide its day-to-day operations and shape the corporate strategy. Therefore, in order to foster lasting and trusting relationships, Lottomatica employs a **range of** informal and formal **channels** and **methods**, tailoring its approach to suit the specific stakeholder group.

Category	Mode of engagement	Purpose
Employees and collaborators	Internal communication tools; events; regular meetings; meeting with workers' representatives; first- and second-level bargaining; satisfaction surveys	Enhancing the staff's sense of belonging; promoting inclusion; recognising and rewarding talent
Shareholders and the financial community	Shareholders' Meeting; Corporate Governance Report; Financial reports; Corporate website; Press releases	Communicating the creation of shared value; reinforcing trust; ensuring integrity and transparency
Sector operators and other suppliers	Specific meetings; Communication portals	Incorporating ESG-related aspects into the supply chain
Customers	Satisfaction surveys	Building customer loyalty; improving service quality
Regulatory bodies and Public Administrations	Specific meetings; regular communications; events	Fostering proactive and collaborative dialogue
Communities	Community projects; partnerships; press releases; engagement with local institutions	Promoting social inclusion

The results of stakeholder engagement activities are integrated into the Group's **strategic decision-making process and business model**. In particular, the identification of stakeholders' interests and opinions through materiality analysis allows the Group to determine Lottomatica's most significant impacts and, consequently, the relevant sustainability issues, thereby influencing its strategy and business model. This process is further detailed in the IRO-1 Disclosure Requirement.

The Board of Directors is regularly informed of the stakeholders' interests, at least annually during the review of the dual materiality process. This ensures the timely alignment of interests and the continuous development of Lottomatica's strategy and business operations.

Disclosure
requirement
SBM-3

Material impacts, risks and opportunities and their interaction with the strategy and business model

The **material IROs for Lottomatica**¹⁶ were determined and assessed based on the specific characteristics of the sector in which the Group operates and the key players identified within the value chain.

ESRS (SUB-TOPIC)	IRO	DESCRIPTION	POSITIVE / NEGATIVE ACTUAL / POTENTIAL	TIME HORIZON	VALUE CHAIN
ESRS E1 – CLIMATE CHANGE					
Climate change mitigation	I	Greenhouse gas emissions at all stages of Lottomatica Group's production chain	Negative Actual	Short term Medium term Long term	Own Operations Upstream Downstream
Energy	I	Energy consumption from renewable sources at all stages of the production chain	Positive Actual	Short term Medium term Long term	Own Operations Upstream Downstream
ESRS E5 – CIRCULAR ECONOMY					
Waste	I	Generation of waste that requires disposal (incineration/landfill) rather than recycling	Negative Actual	Short term Medium term Long term	Own Operations Upstream Downstream
ESRS S1 – OWN WORKFORCE					
Working conditions	I	Employment stability and work-life balance	Positive Actual	Short term Medium term Long term	Own operations
	I	Violations of rights and regulations concerning working conditions	Negative Potential	Medium term Long term	Own operations
	O	Flexible and hybrid work models can enhance employees' work-life balance while simultaneously reducing personnel costs		Short term Medium term Long term	Own operations
	I	Raising employee awareness of occupational health and safety issues	Positive Actual	Short term Medium term Long term	Own operations
	I	Workplace accidents	Negative Actual	Short term Medium term Long term	Own operations
	R	Inadequate/partial compliance with the occupational health and safety regulations		Short term Medium term	Own operations
Equal treatment and opportunities for all	I	Incidents of discrimination and gender pay disparity	Negative Actual	Short term Medium term Long term	Own operations
	I	Employee attraction, development, and training	Positive Actual	Short term Medium term Long term	Own operations
	O	Investment in training and skill development programmes, including funded training and e-learning, can help attract and retain a highly qualified and diverse workforce while managing associated costs effectively		Short term Medium term Long term	Own operations
	I	Human rights violations	Negative Potential	Medium term Long term	Own operations
Other work-related rights	I	Cyber attacks and/or theft of information	Negative Potential	Medium term Long term	Own operations

16) With specific reference to impacts, the Group revised the analysis performed in the previous materiality analysis process, refining the methodology on the basis of the evidence emerging from the external context and the sustainability issues identified by the ESRS. With regard to risks and opportunities, instead, it is specified that they were identified and addressed for the first time in the dual materiality analysis carried out in 2024.

ESRS (SUB-TOPIC)	IRO	DESCRIPTION	POSITIVE / NEGATIVE ACTUAL / POTENTIAL	TIME HORIZON	VALUE CHAIN
ESRS S1 – OWN WORKFORCE					
Other work-related rights	R	Incorrect/lack of management of logical access constraints		Short term Medium term	Own operations
	R	Untimely, incomplete and/or incorrect implementation of the established security policies and specifications		Short term	Own operations
	R	Failure to identify actions to prevent cyber attacks or theft of information and data		Short term Medium term	Own operations
	R	Inadequate establishment, implementation, review, maintenance or improvement of the Information Security Management System (ISMS) within the context of the implementation and management of information systems and services related to the legally required retention activities		Short term Medium term	Own operations
	R	Inadequate data management, in terms of: confidentiality, integrity and availability		Short term Medium term	Own operations
ESRS S2 – WORKERS IN THE VALUE CHAIN					
Working conditions	I	Heightened awareness of occupational health and safety issues among workers in the value chain	Positive Potential	Medium term Long term	Upstream Downstream
	I	Accidents at the workplace of suppliers, logistics sites, and points of sale	Negative Actual	Short term Medium term Long term	Upstream Downstream
Equal treatment and opportunities for all	I	Expansion and updating of the skills of the workers in the production chain	Positive Potential	Medium term Long term	Upstream Downstream
Other work-related rights	I	Human rights violations along the value chain	Negative Potential	Medium term Long term	Upstream Downstream
	I	Cyber attacks and/or information theft along the value chain	Negative Potential	Medium term Long term	Upstream Downstream
ESRS S4 – CONSUMERS AND END USERS					
Information related impacts for consumers and/or end-users	I	Cyber attacks and/or theft of consumer information	Negative Potential	Medium term Long term	Downstream
	R	Incorrect/lack of management of logical access constraints		Short term Medium term	Own operations
	R	Untimely, incomplete and/or incorrect implementation of the established security policies and specifications		Short term	Own operations
	R	Failure to identify actions to prevent cyber attacks or theft of information and data		Short term Medium term	Own operations
	R	Inadequate establishment, implementation, review, maintenance or improvement of the Information Security Management System (ISMS) within the context of the implementation and management of information systems and services related to the legally required retention activities		Short term Medium term	Own operations
Personal safety of consumers and/or end users	R	Inadequate data management, in terms of: confidentiality, integrity and availability		Short term Medium term	Own operations
	I	Presence of cases of gambling disorder in the areas where the Group operates	Negative Actual	Short term Medium term Long term	Downstream

ESRS (SUB-TOPIC)	IRO	DESCRIPTION	POSITIVE / NEGATIVE ACTUAL / POTENTIAL	TIME HORIZON	VALUE CHAIN
ESRS S4 – CONSUMERS AND END USERS					
Social inclusion of consumers and/or end-users	R	Lack of ability to ensure the reliability and availability of ICT systems and critical computer programmes, with negative effects on operations in terms of malfunctions / disruptions / delays in IT systems, which in turn could affect the performance of the different businesses		Short term Medium term	Own operations
	R	Lack of Software Factory flows and processes, useful for aligning business objectives with the evolution of IT systems		Short term Medium term	Own operations
	R	Inadequate management of installation, replacement, maintenance, and decommissioning activities related to the technological infrastructures present at the network's points of sale (e.g. PoS, Gaming Machines, Terminals)		Short term Medium term	Own operations
	I	Adoption of responsible business and consumer protection practices	Positive Actual	Short term Medium term Long term	Downstream
	O	The provision of a secure gaming environment and legal channels can help attract some of the gaming demand that would otherwise turn to illegal gaming, resulting in improvements in the Group's financial performance		Short term Medium term Long term	Own operations Downstream
ESRS G1 – BUSINESS CONDUCT					
Business culture	I	Incidents of behaviour inconsistent with the Lottomatica Code of Ethics and mission	Negative Potential	Medium term Long term	Upstream Own operations
Whistleblower protection	I	Incidents of behaviour inconsistent with the Lottomatica Code of Ethics and mission	Negative Potential	Medium term Long term	Upstream Own operations
	R	Non-compliance or partial compliance with the Market Abuse Regulation on inside information		Short term	Own operations
Political engagement and lobbying	I	Transparency in interactions with institutions and trade associations	Positive Actual	Short term Medium term Long term	Own operations
Management of supplier relations, including payment practices	I	Adherence to Lottomatica's values and principles throughout the supply chain (e.g. Supplier Code of Conduct, Code of Ethics, 231 Model)	Positive Actual	Short term Medium term Long term	Upstream
	R	Procurement process not aligned with the business needs due to an unstructured accounts payable management cycle and/or uncoordinated information flows between the Purchasing & Shared Services function and other functions involved in the unstructured process		Short term	Upstream Own operations
	R	Identification of unqualified or unsuitable suppliers		Short term	Upstream Own operations
	R	Inadequacies in the supplier contracting process		Short term	Own operations
	I	Raising sustainability awareness within the supply chain	Positive Actual	Short term Medium term Long term	Upstream



ESRS (SUB-TOPIC)	IRO	DESCRIPTION	POSITIVE / NEGATIVE ACTUAL / POTENTIAL	TIME HORIZON	VALUE CHAIN
ESRS G1 – BUSINESS CONDUCT					
Bribery and corruption risks	I	Compliance with tax obligations and the payment/collection of taxes due to the Tax Authorities	Positive Actual	Short term Medium term Long term	Own operations
	R	Non-compliance or partial compliance with the regulations on related party transactions		Short term Medium term	Own operations
	R	Inadequate or non-implementation of anti-money laundering controls (231/07)		Short term Medium term	Own operations
	R	Inadequate or non-application of anomaly indicators during monitoring, as defined by the legislation, the FIU indications, and the ADM Guidelines		Short term Medium term	Own operations
	R	Potential economic damage caused by intentional dishonest or deceptive activities committed by individuals within the Company		Short term	Own operations
	R	Potential economic damage caused by intentional dishonest or deceptive activities committed by individuals outside the Company		Short term Medium term	Upstream

With regard to the risks and opportunities relevant to the Group, no significant current financial effects were identified with respect to the thresholds defined in the Group's ERM. It is specified that, as required by the ESRS and the Guideline on the Implementation of double materiality, inherent risks have been considered, assessed independently of the control measures/tools adopted to reduce their effects and/or reduce their probability of occurrence.



1.4 Impact, risk, and opportunity management

Disclosure
requirement
IRO-1

Description of the processes to identify and assess material impacts, risks and opportunities

In 2024, Lottomatica revised its materiality analysis process to align with the ESRS standards and the Materiality Assessment Implementation Guidance (MAIG) developed by EFRAG, incorporating both **impact materiality** and **financial materiality** perspectives. The process update did not include any major assumptions. Specifically, the process involved the following steps:



1. Identification of potentially material topics

An in-depth analysis of sustainability-related topics, sub-topics, and sub-sub-topics covered in ESRS 1 (Application requirement 16 - *Sustainability issues to be included in the materiality assessment*) was conducted. The Group then reviewed the material topics identified during the previous materiality analyses and the external context, including regulatory changes, industry trends, and peer benchmarks. Following this review and their association with ESRS topics, an initial list of potentially material topics for the Group was established.

2. Identification of potentially material IROs

Starting with the prior year's materiality analysis and an examination of the external context, including regulatory studies and industry benchmarks, the impacts of the Group's activities and value chain on people and the environment were identified. These impacts were categorised as actual or potential, positive or negative, and associated with the sub-topics and sub-sub-topics defined by the standard. To ensure comprehensive analysis and a detailed view of the effects generated by various actors in the value chain, the impacts were further disaggregated among different stages of the value chain (own operations, upstream actors, and downstream actors).

With regard to the risks, the identification method followed the Group's ERM process. In particular, the sustainability risks present in the Group's risk library and the corresponding Key Risk Indicators (KRIs) were selected. In line with the ERM methodology, most of the risks were associated with the Group's own operations, while some specific risks were linked to upstream (Tier I and service providers) and downstream stages of the value chain. The opportunities, on the other hand, were identified by the Corporate Sustainability Function in collaboration with the Compliance 231 & Risk Management Function and opportunity owners. This was achieved through a benchmark analysis and by examining the positive impacts, also determining relevant quantitative metrics and the stages of the value chain they might affect. As with the impacts, the risks, and opportunities were

also aligned with the sub-topics and sub-sub-topics established by ESRS 1. A list of potentially material IROs was then created and evaluated using appropriate scoring mechanisms. Finally, in line with the double materiality implementation guideline, a correlation between the IROs was conducted to identify potential links and ensure the accuracy of the process, as risks and opportunities can arise from the impacts generated.

3. Establishment of the scoring and threshold mechanism

To ensure consistency and comparability between the two perspectives, Lottomatica Group has aligned its impact and financial materiality assessment system with the ERM methodology. In particular, for impact materiality, the scoring mechanism used in the 2023 materiality process was revised to reflect an updated analysis based on severity (for negative impacts) or benefit (for positive impacts) and likelihood, as required by the CSRD and relative ESRS standards. The severity of negative impacts is evaluated using the criteria of magnitude, extent, and irreversible nature, while the benefit of positive impacts is assessed using the criteria of magnitude and extent.

With regard to financial relevance, the scoring mechanism for risks and opportunities followed the ERM methodology, based on the potential magnitude of the financial effects (determined through four impact drivers) and the probability of occurrence.

Starting with the ERM, a consistent materiality threshold was subsequently established for both perspectives. Specifically, a threshold was established beyond which material IROs could be identified, following appropriate evaluations.

4. Stakeholder engagement and identification of material IROs

Before evaluating the positive and negative impacts, the Group conducted an analysis of the key stakeholder categories to be involved, which led to the identification of the following groups:

- *Affected*: employees, suppliers (including providers of hardware and software technology, logistics, maintenance, Ho.Re.Ca., utilities, consulting, and certifiers), operators, merchants, and physical network and online gaming customers.
- *Users*: financial community (including shareholders, credit institutions, bondholders, rating agencies, Consob, and the Italian stock exchange); regulatory bodies and public administrations (including MEF, ADM, Sogei, law enforcement agencies, local administrations, and the Ministry of Health); educational and scientific research institutions; consumer associations; and the media.



Of the stakeholders identified, the following macro-categories were directly involved in assessing the impacts linked to the Group's activities and its value chain:

- employees (including frontline staff, committees, and functions most directly overseeing ESG issues);
- suppliers (including providers of hardware and software technology solutions, logistics companies, maintenance services, and Ho.Re.Ca. and utility suppliers);
- financial community (the major shareholder and key credit institutions);
- business partners and operators of gaming and betting outlets.

Lottomatica developed an interactive questionnaire on an online engagement platform, tailored specifically to each selected category. In particular, for each identified positive or negative impact, the stakeholders were asked to rate the evaluation criteria previously defined on a scale of 1 to 5:

- magnitude: the scale of the impact in terms of positive or negative effects;
- extent: the reach of the impact, measured by geography and/or the number of individuals affected;
- irreversibility: applicable only to negative impacts, indicating Lottomatica's capacity to repair the damage caused.

The probability of the impacts, on the other hand, was determined according to the ERM methodology, as follows:

- the actual impacts — those that occurred during the reporting period or earlier — were assigned a maximum probability, equal to 5;
- the potential impacts were evaluated by the Corporate Sustainability function based on the existing safeguards. For negative impacts, this involved considering the probability of the related risks mapped during the ERM process, while for positive impacts, the focus was on the probability of the relative opportunities.

Moreover, to further align the analysis with the ESRS requirements and the double materiality implementation guidelines, an additional score was assigned to the relevance of impacts with potential effects on human rights. Impacts related to human rights violations, including those concerning working conditions, were given additional weight to emphasise the importance that employees and the Group's entire value chain must attribute to respecting these rights. This approach also ensures the annual monitoring of Lottomatica's performance with respect to these topics.

With regard to risks, the inherent risk assessment is conducted jointly by the Risk, Ethics & Compliance Department and the risk owner, and is associated with the risk areas identified using the following drivers, on a scale of 1 to 5:

- the impact associated with the risk, which can be economic, operational / quality, compliance and image;
- the probability of the risk occurring over a predefined time horizon.

With regard to opportunities, the associated impacts and their likelihood of occurrence were evaluated jointly by the Corporate Sustainability Function and the Risk Management Function, also taking into account the views of opportunity owners, in accordance with the ERM methodology.

Finally, after analysing all the assessments, the IROs that has been assigned a medium/high level of materiality, calculated as the product of severity/benefit and probability for the impacts, and of magnitude and probability for risks and opportunities, were considered material. The results of the process were then shared with the committees and workers' representatives.

Conclusions

The double materiality process took into account potential dependencies on natural, human, and/or social resources that could influence the Group's ability to continue using or acquiring the resources necessary for its activities and/or maintaining key relationships under sustainable conditions (e.g. raw materials used by suppliers for AWP boards, energy resources, etc.). Lottomatica's dependencies on natural and social resources are considered within the context of the risk of "Lack of availability of factors (e.g. information and telecommunications technologies, physical infrastructure, workspaces and electrical energy, human resources) essential for ensuring the functioning of the various business processes". The entire impact analysis and assessment process was reviewed with the company's top leadership, including the senior management, and will be updated annually. The results of the analysis were presented to the ESG Management Committee (which consists of the heads of Finance, External Communications, HR, Corporate and Legal Affairs, and the ESG Office), which meets at least once a month and engages in regular discussions with the ESG Advisory Board.

With regard to the topic of ESRS E2 "*Pollution*", the double materiality analysis identified a single impact, which is potential and limited to upstream actors in the Group's value chain. This impact is linked to the emission of air pollutants during the production of the raw materials required for the hardware components. However, this impact was below the materiality threshold, and was therefore not included in this document. Furthermore, the impact is managed within the broader Green Procurement Policy. Lottomatica reserves the right to further investigate this issue in the future and disclose it should it become more significant in terms of impacts, risks, and/or opportunities.

With regard to the topic of ESRS E3 "*Water and marine resources*", being primarily a service provider, Lottomatica only registers water consumption for civil use at its offices and gaming rooms, without any significant impacts on water sources. Nevertheless, the Group is committed to ensuring efficient water management by implementing practical measures to reduce water consumption and to prevent waste by promoting its responsible use.

With respect to the topic of ESRS E4 "*Biodiversity and ecosystems*", the analysis concluded that biodiversity is largely irrelevant given the nature of Lottomatica Group's operations and the sector in which it operates.

The double relevance analysis ultimately determined that the topic of ESRS S3 "*Affected communities*" is largely irrelevant, given the nature, activities, and sector in which Lottomatica Group operates. This conclusion is also based on the definition of Affected Communities provided by Annex II of EU Commission Delegated Regulation 2023/2772: "People or group(s) living or working in the same area that have been or may be affected by a reporting undertaking's operations or through its upstream and downstream value chain. Affected communities can range from those living adjacent to the undertaking's operations (local communities) to those living at a distance. Affected communities include actually and potentially affected indigenous people."

Disclosure
requirement related
to ESRS 2 IRO-1

Description of the processes to identify and assess material impacts, risks and opportunities related to climate

Environmental protection is a **strategic priority** for the Group, aimed at creating sustainable value for its stakeholders over the short, medium, and long term. That’s why Lottomatica Group is dedicated to pursuing **goals aimed at mitigating its impacts**, and to promoting virtuous conduct on the part of all its partners and suppliers. In 2022, Lottomatica adopted an **Emission Reduction Plan**, which established appropriate measures to decrease its energy consumption and CO₂ emissions. Alongside its reduction plan, additional in-depth work was carried out in 2023, focusing particularly on Scope 3 emissions, to support the development of a **Carbon Strategy** with **definitive quantitative targets** by 2024. In its climate change impact disclosure, namely regarding Lottomatica’s GHG emissions (carbon footprint as outlined in section ESRS E1-6), the analysis reveals a greater climate impact from Scope 3 activities, mainly due to logistics and technology acquisition activities (capital goods required for operating the Lottomatica business). The process included a significance analysis to identify, assess, and calculate the GHG impacts generated by each Group company. Energy efficiency is pursued in any renovation work carried out at headquarters, in other offices or in the Group’s sales points and gaming halls. This is the direction in which the energy efficiency measures introduced by the Group have been heading over the years.

Disclosure
requirement related
to ESRS 2 IRO-1

Description of the processes to identify and assess material impacts, risks and opportunities related to the use of resources and circular economy

For Lottomatica, the **responsible management of the waste** generated by its offices and gaming halls means reducing the waste produced, disposing of it in an appropriate and sustainable manner, and promoting the use of recyclable and reusable resources. This commitment is maintained through a **structured waste management and monitoring system**, which includes periodically updated procedures, oversight of outsourced operations, and ongoing employee communication and awareness programmes to encourage waste reduction. Lottomatica’s impact is deemed material because the company not only evaluated the negative impact associated with its own activities but also, from a forward-looking perspective, its impact along the value chain, considering both suppliers and customers.

Disclosure
requirement related
to ESRS 2 IRO-1

Description of the processes to identify and assess material impacts, risks and opportunities

During the double materiality analysis, the Group carefully considered its own activities, its business model, and the broader context in which it operates. In particular, the Italian public gaming sector is shaped by a complex regulatory history that, over the past twenty years, has established and regulated the game requirements, the provision methods, the characteristics of the distribution network and sales venues, and the criteria for the distribution of collections and revenues among all parties involved in the chain (consumers, the State, concessionaires, operators), in **compliance** with **fundamental public interest** objectives upheld by the sector. Lottomatica has consistently **collaborated proactively** with public institutions, particularly with the Customs and Monopolies Agency, to ensure compliance with the regulatory frameworks and to support their adaptation to market changes and industry challenges.



1.5 Summary of Policies

The following is a list of **Policies and Codes** adopted by Lottomatica Group for each material topic identified, aimed at preventing, mitigating, and managing actual and potential impacts, addressing potential risks, and seizing opportunities. In formulating its policies, Lottomatica also considers its **stakeholders’ interests**, with an approach that integrates continuous dialogue, risk monitoring, and feedback initiatives directed at the corporate population, even within the context of the certification maintenance process. These policies are **regularly reviewed** in light of specific relevant legislation and standards, audit results, and the monitoring of national and international trends.

Policy	Description of key elements	Scope of the Policy	Person responsible for implementation	Internationally recognised standards	Accessibility	ESRS Topic
Environmental Sustainability Policy	Compliance with the environmental laws and regulations Addresses responsible resource and waste management while also promoting paper conservation Commitment to: • reducing environmental impacts; • lowering emissions; • monitoring and optimising energy consumption; • sourcing and using renewable energy. Promotes environmental awareness among the company's staff and stakeholders	Employees, internal consultants, suppliers, business partners	BoD	17 UN Sustainable Development Goals The 2030 Agenda The 2015 Paris Agreement The COP26 Climate Conference Core Conventions of the International Labour Organisation, OECD Guidelines	Company Website; Training sessions	E1 / E5
Green Procurement Policy	Ensures the selection of suppliers that produce goods / provide services that have a lesser or reduced effect on the environment through reward mechanisms based on: • compliance with environmental criteria; • certification of environmental management systems (EMAS –ISO 14001); • possession of certified environmental management systems (EMAS-ISO 14001); • presence of decarbonisation plans.	Employees, internal consultants, suppliers, business partners	BoD	17 UN Sustainable Development Goals The 2030 Agenda The 2015 Paris Agreement The COP26 Climate Conference	Company Website; Training sessions	E1 / E5 / G1
Policy on the protection and preservation of Human Rights	Defines, structures and develops a clear approach to the protection and safeguarding of human rights that is broader than that required by law through general principles such as: • safeguarding and protecting the rights of employees, suppliers and partners, including non-discrimination; fair and favourable working conditions; occupational health and safety; freedom of association and right to collective bargaining; fight against child and forced labour, working time policy; • customer protection, including privacy and responsible gaming.	All parties belonging to the Group's value chain	CdA	The Universal Declaration of Human Rights and subsequent international conventions on civil and political rights and on economic, social and cultural rights The Declaration on Fundamental Principles and Rights in the Workplace and the eight Core Conventions of the International Labour Organisation (ILO) The 2030 Agenda and its SDGs	Training sessions, Company Website	S1 / S2 S4 / G1

Policy	Description of key elements	Scope of the Policy	Person responsible for implementation	Internationally recognised standards	Accessibility	ESRS Topic
Diversity Policy of the Board of Directors	Enhances diversity as a founding element of sustainability also with reference to the Company's Board of Directors, pursuing the objective of integrating different managerial and professional profiles in its composition, also maintaining a balanced presence of independent members and a balanced representation of gender and age	BoD	BoD	-	Company Website	S1
Smart working Policy	Facilitates work-life balance in return for greater accountability for results and an environmental benefit through reduced CO ₂ emissions	Group employees	Chief People Officer	-	Company Intranet	S1
Code of Ethics	Establishes the general principles to be upheld by the Recipients, including: • compliance with laws and regulations; • protection of personal integrity • impartiality in relations with stakeholders; • promotion of human rights; • assurance of working conditions that respect individual dignity. Promotes responsible gaming to protect players Recipients' responsibility to report any instances of non-compliance to the Supervisory Board appointed pursuant to Legislative Decree no. 231/01	Representatives of Shareholders, Board of Directors, Board of Auditors, employees, collaborators, and all of the Company's business or financial partners	BoD	Universal Declaration of the United Nations Core Conventions of the International Labour Organisation OECD Guidelines	Company Website	S1 / S2 / S4 / G1
Data protection Policy	Describes the internal processes to ensure the activities in question comply with the standards outlined by EU Regulation 679/2016 (GDPR) Includes key regulations, disclosures, and in-house privacy procedures that all recipients are required to follow	Personal data of customers, employees, suppliers, users, job applicants, investors, partners, and other third parties	Data protection officer	GDPR Regulation Provisions of the Data Protection Authority Privacy Code Civil Code	Company Website	S1 / S2/ S4 / G1
Diversity and Inclusion Policy	Reinforces the promotion of a pluralistic and inclusive culture, ensuring that all company resources have equal access to opportunities, regardless of personal, social, or cultural characteristics Specifically addresses various areas of diversity: • gender equity; • sexual orientation and gender identity; • intergenerational appreciation; • disability and accessibility; • promotion of an inter-cultural outlook.	Group Companies	BoD	The 2030 Agenda and SDGs Universal Declaration of Human Rights The Declaration on Fundamental Principles and Rights in the Workplace The Core Conventions of the International Labour Organisation ILO Convention on Violence and Harassment (June 2019)	Company Website; Company Intranet	S1



Policy	Description of key elements	Scope of the Policy	Person responsible for implementation	Internationally recognised standards	Accessibility	ESRS Topic
Gender Equality Policy	Reinforces protection and valorisation of gender differences and equal opportunities in the workplace, encouraging women's empowerment through activities and programmes aimed at fostering gender equity, the gender pay gap and spreading an inclusive and aware culture It promotes: • equal social rights for men and women; • equality of participation and representation; • career development policies aimed at closing the gender gap; • improved gender balance in organisational processes and work teams.	Group Companies	BoD	UNI/PdR 125:2022 National and International gender equality standards	Company Website; Company Intranet	S1
Supplier Code of Conduct	Encourages suppliers to align with the Group's policies, ensuring compliance with national regulations on tax fraud, corruption, and money laundering, while also supporting the objectives of the 2030 Agenda Enforces adherence to the applicable laws and international standards for environmental, social, and governance practices Mandates suppliers' compliance with principles of: • diversity and inclusion; • professional ethics and regulatory compliance; • compliance with anti-corruption regulations; • human rights and working conditions; • environmental regulations and protection; • health and safety; • proprietary and confidential information.	All Group suppliers and their parents, subsidiaries, affiliates, subcontractors and others in the supply chain	BoD	Agenda 2030 ILO Declaration Current Anti-Corruption Laws	Company Website; Niuma platform	S2
Responsible Marketing Policy	Establishes the standards for responsible marketing, providing the principles relating to the development and/or choice of products, their information and communication and their marketing, in compliance with current legislation and the company's commitment to promoting Responsible Gaming Ensures compliance with the regulations in force for the development and selection of products, their communication and marketing Promotes responsible gaming practices as essential for business sustainability Commits the Group to principles of legality, transparency, protection of minors, prevention of excessive gaming, promotion of a responsible gaming model, and respect for the community Establishes the guidelines for: • the development of the gaming products and services; • communications and information for players and potential users; • promotion of initiatives across physical and online channels.	Group companies and therefore all employees, collaborators, suppliers, with particular reference to business management and promotion activities and the relevant functions involved	BoD	Decree Law of 2012 No. 58 (Balduzzi Decree) Decree Law No. 87 of 12 July 2018 (Dignity Decree) Legislative Decree No. 41 of 23 March 2024 Decree Law No. 58 of 13 September 2012	Company Website; Company Intranet	S1 / S2 / S4

Policy	Description of key elements	Scope of the Policy	Person responsible for implementation	Internationally recognised standards	Accessibility	ESRS Topic
Responsible Gaming Policy	Main targets: • compliance with laws and regulations; • reduction of business-related impacts; • internal awareness, education and continuous training for all employees; • compliance with the Responsible Marketing Policy; • pathological gambling prevention tools within products and services and tools for monitoring player behaviour.	Group companies' employees, collaborators, and suppliers	BoD	G4 certification, developed by the Global Gambling Guidance Group WLA certification, developed by the Responsible Gaming Framework of the World Lottery Association	Training sessions; Company Website; Company Intranet	S1 / S2 / S4
Quality and Safety Policy	Establishes quality standards for all stakeholders, ensuring all their needs are met	Group Companies	Managing Directors and the Employer	Applicable health and safety laws and regulations, Legislative Decree 81/2008	Company Website	S4
	Integrates occupational health and safety principles across all company activities Safeguards worker health and implements effective measures to prevent occupational accidents, injuries, and diseases Ensures suppliers are selected also taking into account the occupational health and safety assurances they provide Manages and monitors an Integrated Quality and Safety Management System compliant with UNI EN ISO 9001 and UNI EN ISO 45001 standards					
231 Model	Ensures the implementation of an Organisation, Management, and Control Model (Legislative Decree 231/2001) to guarantee transparency and integrity in business management	Representatives of shareholders, members of the Board of Directors, members of the Board of Auditors, employees, collaborators, and all entities with commercial or financial relationships with the Company	BoD	Legislative Decree 231/01 Guidelines issued by Confindustria	Company Website	G1
	Identifies any company activities potentially at risk under ex. Legislative Decree 231/01 Establishes an internal regulatory framework for the prevention of offences under ex. Legislative Decree 231/01 Promotes an organisational structure aimed at encouraging and monitoring the correctness of the conduct adopted Identifies the processes for the management and control of financial resources Provides adequate training and information to the employees regarding the Model itself					

Policy	Description of key elements	Scope of the Policy	Person responsible for implementation	Internationally recognised standards	Accessibility	ESRS Topic
Whistleblowing procedure	Regulates the process of receiving, analysing, and managing reports of alleged wrongdoing or violations which have come to knowledge in the work context, i.e. conduct, acts or omissions that harm the public interest or the integrity of Lottomatica Group	Members of Corporate Bodies and third parties engaged in business relations	BoD	Legislative Decree 231/2991 Law 179/2017 Law 4 August 2022 Legislative Decree 24/2023 UNI ISO 37001:2016 UNI PdR 125:2022 Law 162/2021	Company Website	G1
Anti-Bribery and Corruption policy	Promotes the fight against corruption in all its forms and encourages a culture that deters corrupt activities while facilitating the prevention and detection of such conduct	Group companies, corporate bodies, employees, collaborators, third parties in any way connected with the Group	BoD	Global Compact	Company Website; Training	G1
	It continuously improves the sensitivity of those who work in various capacities with the Group in recognising corrupt phenomena, as well as their reactivity in taking an active part in preventing, countering and reporting possible violations of regulations					
Anti-Money Laundering (AML) Policy	Provides a framework to help Group entities identify and manage money laundering and terrorist financing risks	Group Companies, employees and gaming service providers across both physical and online networks	BoD	Legislative Decree no. 231/2007	Company Website	G1
	Regulates and monitors: • the management of fiscal and financial flows; • procurement; • relations with institutions and public bodies; • corporate affairs; • the organisation of events; • exhibitions; • sponsorship and advertising activities; • gifts, entertainment and hospitality expenses; • staff recruitment and management; • commercial and business activities; • management of disputes; • relations with the board of statutory auditors and the independent auditing firm.					

1.6 ESRS Index and additional EU Legislative Disclosures

Disclosure
requirement
IRO-2

ESRS disclosure requirements covered by the company's Consolidated sustainability statement

ESRS Content Index

Declaration of use	Lottomatica has submitted its Consolidated sustainability statement in accordance with the ESRS Standards for the fiscal year 2024
Use of ESRS 1	ESRS 1 – General Requirements

ESRS Standard	Indicator number and description	Page
General Information		
ESRS 2	Disclosure Requirement BP-1 – General basis for preparation of sustainability statement (reporting criteria) for preparation	54
	Disclosure Requirement BP-2 – Disclosures in relation to specific circumstances	54-55
	Disclosure Requirement GOV-1 – The role of the administrative, management and supervisory bodies	55-58
	G1 Disclosure requirement related to ESRS 2 GOV-1 – The role of the administrative, management and supervisory bodies	55-58
	Disclosure Requirement GOV 2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	58
	Disclosure Requirement GOV-3 - Integration of sustainability-related performance in incentive schemes	59
	E1. Disclosure requirement relative to ESRS 2 GOV-3 - Integration of sustainability-related performance in incentive schemes	59
	Disclosure Requirement GOV-4 - Statement on due diligence	60
	Disclosure Requirement GOV-5 - Risk management and internal controls over sustainability reporting	61-62
	Disclosure Requirement SBM-1 – Strategy, business model and value chain	63-69
	Disclosure Requirement SBM-2 – Interests and views of stakeholders	70-71
	Disclosure Requirement SBM-3 - Material impacts, risks and opportunities and their interaction with the strategy and business model	72-75
	Disclosure Requirement IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities	76-79
	E1. Disclosure Requirement related to ESRS 2 IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities related to climate	80
	E5. Disclosure Requirement related to ESRS 2 IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities related to the use of resources and circular economy	80
	G1. Disclosure Requirement related to ESRS 2 IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities	80
	Minimum disclosure requirement – Policies MDR-P – Policies adopted to manage material sustainability matters	81-85
	Disclosure Requirement IRO-2 – Disclosure requirements in ESRS covered by the undertaking's sustainability statement	86-88
Environmental Information		
EU Taxonomy Disclosure		
E1 Climate change	Disclosure Requirement E1-1 – Transition plan for climate change mitigation	108-109
	Disclosure requirement related to ESRS 2 SBM – 3 Material impacts, risks and opportunities and their interaction with the strategy and business model	110
	Disclosure Requirement E1-2 – Policies related to climate change mitigation and adaptation	111
	Minimum disclosure requirement – Actions MDR-A – Actions and resources in relation to material sustainability matters	111-113
	Disclosure requirement E1-3 – Actions and resources in relation to climate change policies	111-113
	Minimum disclosure requirement – Targets MDR-T – Tracking effectiveness of policies and actions through targets	113-115
	Disclosure Requirement E1-4 – Targets related to climate change mitigation and adaptation	113-115
	Disclosure Requirement E1-5 – Energy consumption and mix	115
	Disclosure Requirement E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions	116-120
	Disclosure Requirement E1-9 – Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	120

ESRS Standard	Indicator number and description	Page
Environmental Information		
E5 Resource use and circular economy	Disclosure Requirement E5-1 – Policies implemented to manage resource use and circular economy	121
	Minimum disclosure requirement – Actions MDR-A – Actions and resources in relation to material sustainability matters	121-124
	Disclosure Requirement E5-2 – Actions and resources related to resource use and circular economy	121-124
	Disclosure Requirement E5-3 – Targets related to resource use and circular economy	125
	Minimum disclosure requirement – Targets MDR-T – Tracking effectiveness of policies and actions through targets	125
	Disclosure Requirement E5-5 – Resource outflows	125-126
Social Information		
S1 Own Workforce	Disclosure requirement related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with the strategy and business model	131-132
	Disclosure Requirement S1-1 – Policies related to own workforce	132-137
	Disclosure Requirement S1-2 – Processes for engaging with own workers and workers' representatives about impacts	137-138
	Disclosure Requirement S1-3 – Processes to remediate material negative impacts and channels for own workers and workers to raise concerns	138-140
	Minimum disclosure requirement – Actions MDR-A – Actions and resources in relation to material sustainability matters	141-149
	Disclosure Requirement S1-4 – Taking action on material impacts on own workforce and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	141-149
	Minimum disclosure requirement – Targets MDR-T – Tracking effectiveness of policies and actions through targets	149
	Disclosure requirement S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	149
	Disclosure Requirement S1-6 – Characteristics of the undertaking's employees	150
	Disclosure Requirement S1-7 – Characteristics of non-employee workers in the undertaking's own workforce	150
	Disclosure Requirement S1-8 – Collective bargaining coverage and social dialogue	151
	Disclosure Requirement S1-9 – Diversity indicators	152
	Disclosure Requirement S1-10 – Fair remuneration	152-153
	Disclosure Requirement S1-11 – Social security	153
	Disclosure Requirement S1-12 – Persons with disabilities	153
	Disclosure Requirement S1-13 – Training and skills development indicators	153-154
	Disclosure Requirement S1-14 – Health and safety indicators	155
	Disclosure Requirement S1-15 – Work-life balance indicators	155
	Disclosure Requirement S1-16 – Remuneration indicators (pay gaps and total remuneration)	156
	Disclosure Requirement S1-17 – Incidents, complaints, and serious impacts related to human rights	156-157

ESRS Standard	Indicator number and description	Page
Social Information		
S2 Workers in the value chain	Disclosure requirement related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with the strategy and business model	157
	Disclosure Requirement S2-1 – Policies related to value chain workers	158
	Disclosure Requirement S2-2 – Processes for engaging with value chain workers about impacts	158-159
	Disclosure Requirement S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns	159-160
	Minimum disclosure requirement – Actions MDR-A – Actions and resources in relation to material sustainability matters	160-161
	Disclosure Requirement S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action	160-161
	Minimum disclosure requirement – Targets MDR-T – Tracking effectiveness of policies and actions through targets	162
	Disclosure requirement S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	162
	The ESRS 2 SBM-3 Disclosure Requirement – Material impacts, risks and opportunities and their interaction with the strategy and business model related to impacts, risks and opportunities	165-166
	Disclosure Requirement S4-1 – Policies related to consumers and end-users	166
S4 Consumers and end-users	Disclosure Requirement S4-2 – Processes for engaging with consumers and end-users about impacts	167
	Disclosure Requirement S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	167-168
	Minimum disclosure requirement – Actions MDR-A – Actions and resources in relation to material sustainability matters	168-171
	Disclosure Requirement S4-4 – Taking action on material impacts on consumers and end-user, approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	168-171
	Minimum disclosure requirement – Targets MDR-T – Tracking effectiveness of policies and actions through targets	171
	Disclosure Requirement S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	171
Governance Information		
G1 Business conduct	Disclosure Requirement G1-1 – Corporate culture and business conduct policies	175
	Disclosure Requirement G1-2 – Management of relationships with suppliers	175
	Disclosure Requirement G1-3 – Prevention and detection of corruption or bribery	176
	Minimum disclosure requirement – Actions MDR-A – Actions and resources in relation to material sustainability matters	177
	Disclosure Requirement G1-4 – Incidents of corruption or bribery	178
	Disclosure Requirement G1-5 – Political influence and lobbying activities	178
	Disclosure Requirement G1-6 – Payment practices	179
	Minimum disclosure requirement – Targets MDR-T – Tracking effectiveness of policies and actions through targets	179

List of datapoints derived from other EU legislative acts

Disclosure requirements and related data	SFDR reference	Reference to Pillar 3	Reference to the Benchmark Regulation	Reference to the EU Climate Law	Material / Immaterial	Page
ESRS 2 GOV-1 Gender diversity of the Council, section 21(d)	Indicator No. 13 in Table 1 of Annex 1	N/A	Commission Delegated Regulation (EU) 2020/1816, Annex II	N/A	Material	56
ESRS 2 GOV-1 Percentage of board members who are independent, sec. 21(e)	N/A	N/A	Delegated Regulation (EU) 2020/1816, Annex II	N/A	Material	56
ESRS 2 GOV-4 Due diligence statement, section 30	Indicator No. 10 in Table 3 of Annex 1	N/A	N/A	N/A	Material	60
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities, paragraph 40(d) i	Indicator No. 4 in Table 1 of Annex 1	Article 449a of Regulation (EU) no. 575/2013; Implementing Regulation (EU) 2022/2453 Table 1: Qualitative information on environmental risk and Table 2: Qualitative information on social risk	Delegated Regulation (EU) 2020/1816, Annex II	N/A	Immaterial	-
ESRS 2 SBM-1 Involvement in Activities Related to the Production of Chemicals, sec. 40(d) ii	Indicator No. 9 in Table 2 of Annex 1	N/A	Delegated Regulation (EU) 2020/1816, Annex II	N/A	Immaterial	-
ESRS 2 SBM-1 Involvement in controversial weapons activities, sec. 40(d) iii	Indicator No. 14 in Table 1 of Annex 1	N/A	Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II	N/A	Immaterial	-
ESRS 2 SBM-1 Involvement in activities relating to the cultivation and production of tobacco, sec. 40(d) iv	N/A	N/A	Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II	N/A	Immaterial	-
ESRS E1-1 Transition Plan to Achieve Climate Neutrality by 2050, section 14	N/A	N/A	N/A	Regulation (EU) 2021/1119, Article 2(1)	Immaterial	-
ESRS E1-1 Companies excluded from Paris-aligned indices, section 16(g)	N/A	Article 449a of Regulation (EU) no. 575/2013; Implementing Regulation (EU) 2022/2453 Model 1: Climate change transition risk in the banking book: Credit quality of exposures by sector, issuance and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12.1(d) through (g), and Article 12.2	N/A	Immaterial	-
ESRS E1-4 Greenhouse gas emission reduction targets, sec. 34	Indicator No. 4 in Table 2 of Annex 1	Article 449a of Regulation (EU) no. 575/2013; Implementing Regulation (EU) 2022/2453 Model 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6	N/A	Material	113



Disclosure requirements and related data	SFDR reference	Reference to Pillar 3	Reference to the Benchmark Regulation	Reference to the EU Climate Law	Material / Immaterial	Page
ESRS E1-5 Energy consumption from fossil fuels, disaggregated by source (high climate impact sectors only), section 38	Indicator No. 5 in Table 1 of Annex 1 and Indicator No. 5 in Table 2 of Annex 1	N/A	N/A	N/A	Immaterial	-
ESRS E1-5 Energy consumption and mix, section 37	Indicator No. 5 in Table 1 of Annex 1	N/A	N/A	N/A	Material	115
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors, sections 40 to 43	Indicator No. 6 in Table 1 of Annex 1	N/A	N/A	N/A	Immaterial	-
ESRS E1-6 Gross Scope 1, 2, 3 and total GHG emissions, sec. 44	Indicator No. 1 and 2 in Table 1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Implementing Regulation (EU) 2022/2453 Model 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, issuance and residual maturity	Delegated Regulation (EU) 2020/1818, Articles 5(1), 6 and 8(1)	N/A	Material	116
ESRS E1-6 Intensity of gross GHG emissions, sections 53 to 55	Indicator No. 3 in Table 1 of Annex 1	Article 449a of Regulation (EU) no. 575/2013; Implementing Regulation (EU) 2022/2453 Model 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)	N/A	Material	116
ESRS E1-7 GHG removals and carbon credits, section 56	N/A	N/A	N/A	Regulation (EU) 2021/1119, Article 2(1)	Immaterial	-
ESRS E1-9 Exposure of the benchmark index portfolio to physical climate-related risks, section 66	N/A	N/A	Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II	N/A	Immaterial	-
ESRS E1-9 Breakdown of monetary amounts by acute and chronic physical risk, section 66(a) ESRS E1-9 Location of assets at significant physical risk, section 66(c)	N/A	Article 449a of Regulation (EU) no. 575/2013; Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Model 5: Banking book – Physical risk related to climate change: Exposures subject to physical risk	N/A		Immaterial	-
ESRS E1-9 Breakdown of the book value of its real estate assets by energy efficiency classes, section 67(c)	N/A	Article 449a of Regulation (EU) no. 575/2013; Implementing Regulation (EU) 2022/2453 paragraph 34; Model 2: Banking book – Climate change transition risk: Loans backed by real estate – Collateral efficiency	N/A	N/A	Immaterial	-

Disclosure requirements and related data	SFDR reference	Reference to Pillar 3	Reference to the Benchmark Regulation	Reference to the EU Climate Law	Material / Immaterial	Page
ESRS E1-9 Degree of portfolio exposure to climate-related opportunities, section 69	N/A	N/A	Delegated Regulation (EU) 2020/1818	N/A	Immaterial	-
ESRS E2-4 Amount of each pollutant listed in Annex II of E-PRTR (European Pollutant Release and Transfer Register) emitted to air, water and land, section 28	Indicator No. 8 in Table 1 of Annex 1 Indicator No. 2 in Table 2 of Annex 1 Indicator No. 1 in Table 2 of Annex 1 Indicator No. 3 in Table 2 of Annex 1	N/A	N/A	N/A	Immaterial	-
ESRS E3-1 Waters and marine resources, section 9	Indicator No. 7 in Table 2 of Annex 1	N/A	N/A	N/A	Immaterial	-
ESRS E3-1 Dedicated policy, section 13	Indicator No. 8 in Table 2 of Annex 1	N/A	N/A	N/A	Immaterial	-
ESRS E3-1 Sustainability of the oceans and seas, section 14	Indicator No. 12 in Table 2 of Annex 1	N/A	N/A	N/A	Immaterial	-
ESRS E3-4 Total recycled and reused water, section 28(c)	Indicator No. 6.2 in Table 2 of Annex 1	N/A	N/A	N/A	Immaterial	-
ESRS E3-4 Total water consumption in m3 compared to net revenues from own operations, section 29	Indicator No. 6.1 in Table 2 of Annex 1	N/A	N/A	N/A	Immaterial	-
ESRS 2 IRO-1 -E4 section 16(a)(i)	Indicator No. 7 in Table 1 of Annex 1	N/A	N/A	N/A	Immaterial	-
ESRS 2 IRO-1 -E4 section 16 (b)	Indicator No. 10 in Table 2 of Annex 1	N/A	N/A	N/A	Immaterial	-
ESRS 2 IRO-1 –E4 section 16(c)	Indicator No. 14 in Table 2 of Annex 1	N/A	N/A	N/A	Immaterial	-
ESRS E4-2 Sustainable agricultural/land-use policies or practices, section 24(b)	Indicator No. 11 in Table 2 of Annex 1	N/A	N/A	N/A	Immaterial	-
ESRS E4-2 Sustainable sea/ocean use practices or policies, section 24(c)	Indicator No. 12 in Table 2 of Annex 1	N/A	N/A	N/A	Immaterial	-
ESRS E4-2 Policies to address deforestation, section 24(d)	Indicator No. 15 in Table 2 of Annex 1	N/A	N/A	N/A	Immaterial	-
ESRS E5-5 Non-recycled waste, section 37(d)	Indicator No. 13 in Table 2 of Annex 1	N/A	N/A	N/A	Material	126
ESRS E5-5 Hazardous waste and radioactive waste, section 39	Indicator No. 9 in Table 1 of Annex 1	N/A	N/A	N/A	Material	125



Disclosure requirements and related data	SFDR reference	Reference to Pillar 3	Reference to the Benchmark Regulation	Reference to the EU Climate Law	Material / Immaterial	Page
ESRS 2 -SBM3 -S1 Risk of forced labour, section 14(f)	Indicator No. 13 in Table 3 of Annex I	N/A	N/A	N/A	Immaterial	-
ESRS 2 –SBM3 –S1 Risk of child labour, section 14(g)	Indicator No. 12 in Table 3 of Annex I	N/A	N/A	N/A	Immaterial	-
ESRS S1-1 Political commitments to human rights, section 20	Indicator No. 9 in Table 3 of Annex I	N/A	N/A	N/A	Material	132
ESRS S1-1 Due diligence policies on matters covered by Core Conventions 1 to 8 of the International Labour Organisation, section 21	N/A	N/A	Delegated Regulation (EU) 2020/1816, Annex II	N/A	Material	132
ESRS S1-1 Procedures and measures to prevent trafficking in human beings, section 22	Indicator No. 11 in Table 3 of Annex I	N/A	N/A	N/A	Material	132
ESRS S1-1 Occupational accident prevention policy or management system, section 23	Indicator No. 1 in Table 3 of Annex I	N/A	N/A	N/A	Material	132
ESRS S1-3 Mechanisms for handling claims/ complaints, section 32(c)	Indicator No. 5 in Table 3 of Annex I	N/A	N/A	N/A	Material	138-140
ESRS S1-14 Number of deaths and number and rate of work-related injuries, sec. 88 (b) and (c)	Indicator No. 2 in Table 3 of Annex I	N/A	Delegated Regulation (EU) 2020/1816, Annex II	N/A	Material	155
ESRS S1-14 Number of days lost due to injury, accident, fatality or illness, sec. 88 (e)	Indicator No. 3 in Table 3 of Annex I	N/A	N/A	N/A	Material	155
ESRS S1-16 Unadjusted gender pay gap, section 97(a)	Indicator No. 12 in Table 1 of Annex I	N/A	Delegated Regulation (EU) 2020/1816, Annex II	N/A	Material	156
ESRS S1-16 Excessive pay gap in favour of the CEO, section 97(b)	Indicator No. 8 in Table 3 of Annex I	N/A	N/A	N/A	Material	156
ESRS S1-17 Discrimination-related incidents, section 103(a)	Indicator No. 7 in Table 3 of Annex I	N/A	N/A	N/A	Material	156
ESR S1-17 Failure to comply with the UN Guiding Principles on Business and Human Rights and OECD section 104(a)	Indicator No. 10 in Table 1 and indicator No. 14 in Table 3 of Annex I	N/A	Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Article 12 (1)	N/A	Material	156
ESRS 2 SBM-3 –S2 Serious risk of child labour or forced labour in the labour chain, section 11(b)	Indicator No. 12 in Table 13 of Annex I	N/A	N/A	N/A	Material	157

Disclosure requirements and related data	SFDR reference	Reference to Pillar 3	Reference to the Benchmark Regulation	Reference to the EU Climate Law	Material / Immaterial	Page
ESRS S2-1 Political commitments to human rights, section 17	Indicator No. 9 in Table 3 and indicator no. 1, Table 1 of Annex 1	N/A	N/A	N/A	Material	158
ESRS S2-1 Policies related to value chain workers, section 18	Indicator No. 11 and 4 in Table 3 of Annex 1	N/A	N/A	N/A	Material	158
ESRS S2-1 Non-compliance with the UN Guiding Principles on business and human rights and the OECD Guidelines, section 19	Indicator No.10 in Table 1 of Annex 1	N/A	Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Article 12 (1)	N/A	Material	158
ESRS S2-1 Due diligence policies on matters covered by Core Conventions 1 to 8 of the International Labour Organisation, section 19	N/A	N/A	Delegated Regulation (EU) 2020/1816, Annex II	N/A	Material	158
ESRS S2-4 Human rights issues and incidents in the upstream and downstream value chain, section 36	Indicator No. 14 in Table 3 of Annex 1	N/A	N/A	N/A	Immaterial	-
ESRS S3-1 Political commitments to human rights, section 16	Indicator No. 9 in Table 3 and indicator 11 Table 1 of Annex 1	N/A	N/A	N/A	Immaterial	-
ESRS S3-1 Failure to comply with the UN guiding principles on business and human rights, the ILO principles or the OECD guidelines, section 17	Indicator No. 10 in Table 1 of Annex 1	N/A	Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Article 12 (1)	N/A	Immaterial	-
ESRS S3-4 Human rights issues and incidents, section 36	Indicator number 14 in Table 3 of Annex 1	N/A	N/A	N/A	Immaterial	-
ESRS S4-1 Policies related to consumers and end-users, section 16	Indicator No. 9 in Table 3 Indicator number 11 in Table 1 of Annex 1	N/A	N/A	N/A	Material	166
ESRS S4-1 Failure to comply with the UN guiding principles on business and human rights and the OECD guidelines, section 17	Indicator No. 10 in Table 1 of Annex 1	N/A	Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Article 12 (1)	N/A	Immaterial	-
ESRS S4-4 Human rights issues and incidents, section 35	Indicator No. 14 in Table 3 of Annex 1	N/A	N/A	N/A	Immaterial	-

Disclosure requirements and related data	SFDR reference	Reference to Pillar 3	Reference to the Benchmark Regulation	Reference to the EU Climate Law	Material / Immaterial	Page
ESRS G1-1 United Nations Convention against corruption, section 10(b)	Indicator No. 15 in Table 3 of Annex 1	N/A	N/A	N/A	Immaterial	-
ESRS G1-1 Protection of whistleblowers, section 10(d)	Indicator No. 6 in Table 3 of Annex 1	N/A	N/A	N/A	Immaterial	-
ESRS G1-4 Fines imposed for violations of laws against active and passive corruption, section 24 (a)	Indicator No. 17 in Table 3 of Annex 1	N/A	Delegated Regulation (EU) 2020/1816, Annex II	N/A	Material	178
ESRS G1-4 Rules for combating bribery and corruption, section 24(b)	Indicator No. 16 in Table 3 of Annex 1	N/A	N/A	N/A	Material	178

2. Environmental information

2.1 The EU Taxonomy

Regulatory context

In recent years, interest in ESG issues has surged at an unprecedented pace. In fact, in June of 2020, EU Regulation 2020/852, known as the **Taxonomy Regulation**, was adopted, establishing a clear classification system to define sustainable economic activities. This system enhances comparability among operators and promotes more responsible investment decisions.

In particular, according to the EU Taxonomy, an economic activity is considered environmentally sustainable if it meets the following criteria:

- 1** it makes a **substantial contribution** to at least one of the six **environmental and climate objectives** laid out under art. 9 of the Regulation;
- 2** it adheres to the **Do No Significant Harm (DNSH)** principle by avoiding significant harm to any of the other environmental objectives;
- 3** it complies with the **Social Minimum Safeguards**, as outlined by the principles and guidelines contained in international conventions and treaties.

The Taxonomy Regulation outlines six climate and environmental objectives, including:

- climate change mitigation;
- climate change adaptation;
- sustainable use and protection of water and marine resources;
- transition to a circular economy;
- reduction of pollution;
- protection and restoration of biodiversity and ecosystems.

For each objective, the European Commission has published a technical annex that not only identifies economic activities eligible to contribute to the objective, but also establishes the eligible activities, the Technical Screening Criteria (TSC), and the requirements for compliance with the DNSH principle.

In particular, over the years the European Commission has introduced the “Climate Delegated Acts”, which establish the main sectors and economic activities covered by the Taxonomy, along with the technical screening criteria required to evaluate their substantial contributions to the first two climate-related environmental objective;¹⁷ and the Taxonomy Environmental Delegated Act (2023/3851), which establishes the technical screening criteria for economic activities that significantly impact the other four environmental objectives of the EU Taxonomy.¹⁸ Simultaneously, amendments were made to two existing delegated acts: the Taxonomy Disclosures Delegated Act (2021/2178), which regulates the content and presentation of Taxonomy disclosures and the Taxonomy Climate Delegated Act (2021/2139).

Following its listing in 2023, Lottomatica Group now complies with the regulatory obligations laid out in article 8 of EU Regulation 2020/825. This article specifies the reporting obligations under the Taxonomy and clarifies that, in line with the developments in sustainability reporting, these obligations apply to all companies subject to the CSRD, which was implemented in Italy by Legislative Decree no. 125 of September 2024.

For the purpose of disclosing quantitative performance indicators (KPIs), the Group has adhered to the requirements of Annex I of the Taxonomy Disclosures Delegated Act 2021/2178, which mandates that Non-Financial Organisations are required to publish: i) the percentage of turnover generated from products or services associated with economic activities deemed environmentally sustainable; ii) the percentage of capital expenditure (CapEx) and operating expenditure (OpEx) related to assets or processes associated with economic activities aligned with the EU Taxonomy.

Analysis of eligibility and alignment with the Taxonomy

In continuity with the previous year, Lottomatica Group once again conducted a series of analyses in 2024 to identify economic activities eligible for the EU Taxonomy, aiming to verify their potential alignment in terms of Turnover, CapEx, and OpEx.

The **screening process** began with a preliminary mapping of potentially environmentally sustainable activities. Through a detailed quantitative analysis of Turnover, CapEx, and OpEx aggregates, the panel of potentially eligible activities, corresponding to each of the six environmental objectives, was identified. Based on this analysis, the individual Functions and the owners of Group activities potentially falling within the scope of the European Taxonomy were also identified.

Therefore, in collaboration with the responsible corporate Functions, an **eligibility** and **alignment** check was carried out to assess whether Lottomatica Group generates Revenues, CapEx, and OpEx from the activities previously mapped. This analysis led to the identification of the following activities:

17) The objectives defined by the Climate Delegated Act are (i) climate change mitigation, (ii) climate change adaptation.
18) The objectives defined by the Taxonomy Environmental Delegated Act are (i) the sustainable use and protection of water and marine resources, (ii) the transition to a circular economy, (iii) the reduction of pollution, and (iv) the protection and restoration of biodiversity and ecosystems.

List of potentially eligible activities identified

6. Transport	
6.5 Transport by motorcycle, passenger car, and light commercial vehicle	Climate change mitigation (1) and adaptation objectives (2)
7. Construction and real estate activities	
7.2 Renovation of existing buildings	Climate change mitigation (1) and adaptation objectives (2)
7.3 Installation, maintenance, and repair of energy efficiency devices	

Compared to the eligibility perimeter identified in 2023, this analysis revealed an increase in eligible activities, rising from 1 activity to **3 activities** across **2 sectors** identified by the Regulation (transport and construction and real estate activities).

In order to assess the alignment of the identified economic activities with the Taxonomy, a verification of compliance with the technical screening criteria, DNSH, and Social Minimum Safeguards was simultaneously conducted.

In this regard, the analyses did not identify any activities aligned with the EU Taxonomy, as compliance with the technical screening criteria was not able to be confirmed for the relevant activities. However, it should be noted that Lottomatica Group conducted its economic activities in compliance with the minimum safeguards laid out under Article 18 of EU Regulation 852/2020, adhering to the principles and guidelines of the international conventions and treaties.¹⁹ In order to verify compliance with the Social Minimum Safeguards, the Group considered the four issues identified by the Sustainable Finance Platform: Human Rights, Corruption, Taxation, and Competition.

In particular, the Group implements due diligence procedures in its business activities and utilises specific instruments, including the Code of Ethics and the Supplier Code of Conduct, which clearly outline the values and principles required of all parties with which it engages, as well as an Organisation, Management, and Control Model compliant with Legislative Decree no. 231/2001. Lottomatica has also adopted several policies²⁰ aimed at protecting human rights, such as the Corporate Policy on the Protection and Preservation of Human Rights, the Diversity and Inclusion Policy, and the Gender Equality Policy.

Details of the disclosure accompanying the KPIs for non-financial enterprises

Accounting standards

The purpose of this section is to explain the process of defining the turnover, capital expenditure, and operating expenditure figures related to eligible activities, in accordance with Annex I of Delegated Regulation (EU) 2021/2178.

19) Specifically, the Group conducted its activities in compliance with the principles enshrined in the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including those set out in the eight core conventions of the International Labour Organisation (ILO) and the International Bill of Human Rights.
20) For further information on the Social Minimum Safeguards policies, please refer to section “Summary of Policies” in the “General Information” chapter.



With regard to Turnover, a thorough examination of the mapped economic activities contributing to the climate and environmental objectives, combined with an analysis of the management and accounting information related to Lottomatica’s operations, revealed that it is not possible for the Group to quantify the numerator of the KPI in terms of either eligibility or alignment. This is because the economic activities associated with Lottomatica Group’s core business differ from those listed in the Climate Delegated Act and the Environmental Delegated Act. As a result, for this financial year, the entire Turnover is attributed exclusively to activities not eligible for the EU Taxonomy. The Turnover’s denominator, on the other hand, corresponds to the Group’s revenues, as stated under the “**Revenues**” item of the Consolidated Statement of Comprehensive Income for the year ended on 31 December 2024.

In order to determine the share of capital expenditure eligible under the Regulation, the CapEx expenses recorded on the Consolidated Financial Statements, related to eligible activities, were taken into consideration.²¹ The denominator, however, was recalculated by summing the gross additions recognised in 2024 with the tangible and intangible assets, in accordance with IAS 16, 38, 40, and IFRS16, as shown in the tables of changes for Intangible Assets, Tangible Assets, and Rights of Use. The denominator also includes increases in tangible and intangible assets resulting from business combinations.²²

Finally, with regard to the numerator of the OpEx, following the criteria specified under point 1.1.3.2 of the Delegated Act, the portion of operating expenses related to eligible activities was calculated. The denominator, on the other hand, was determined by including non-capitalised direct costs associated with research and development, building renovation measures, short-term rental, and other maintenance and repair activities, whether performed by the company or third parties.²³

Assessment of compliance with Regulation (EU) 2020/852

Based on the analysis conducted, Lottomatica Group identified the following eligible activities that contribute to its climate change mitigation and adaptation objectives:

- **6.5 Transport by motorcycle, passenger car, and light commercial vehicle**, for the costs of leasing category M1 and N1 company cars under long-term lease agreements;
- **7.2 Renovation of existing buildings**, in relation to the expenses incurred by the Group for renovating gaming halls and, more broadly, managed buildings associated with the Organisation’s operations;
- **7.3 Installation, maintenance, and repair of energy efficiency devices**, for investments made in renovating the Group’s facilities, including heating, ventilation, and air conditioning systems, as well as the replacement of light sources with energy-efficient versions.

21) These assets were identified in accordance with the criteria laid out under point 1.1.2.2. of Delegated Regulation (EU) 2021/2178.
22) For further details, please refer to the items “Investments,” “Business Combinations,” and “Increases” in the 2024 Tables of Changes for Intangible Assets, Tangible Assets, and Rights of Use.
23) Point 1.1.2.1. of Delegated Regulation (EU) 2021/2178.

Contextual information

As previously indicated, revenues from Lottomatica Group’s activities are considered entirely ineligible, as they do not fall within the scope of activities listed in the Climate Delegated Act and the Environmental Delegated Act.²⁴

Contextual information regarding the CapEx KPI

With regard to the capital expenditure KPI,²⁵ the portion of eligible economic activities amounts to approximately **€15** million, consisting of the following:

- **€5.1** million pertains to activity “6.5 Transport by motorcycle, passenger car, and light commercial vehicle”, related to investments made in company vehicles in 2024;
- **€9.3** million pertains to activity “7.2 Renovation of existing buildings”, related to renovation expenses incurred during the current financial year;
- **€0.6** million pertains to activity “7.3 Installation, maintenance, and repair of energy efficiency devices”, related to the installation of equipment and light sources. This activity saw an increase in capital expenditure compared to the previous year due to the inclusion of plant engineering in the numerator calculation.

As a result, approximately 3.5% of capital expenditure for 2024 is eligible under the Taxonomy Regulation.

Contextual information regarding the OpEx KPI

With regard to the operational expenditure KPI,²⁶ the share of eligible economic activities is approximately **€0.9** million, consisting of the following:

- **€0.1** million pertains to activity “7.2 Renovation of existing buildings”, related to operating expenses incurred for the renovation of buildings and gaming halls used for the Group’s activities;
- **€0.7** million pertains to activity “7.3 Installation, maintenance, and repair of energy efficiency devices”, related to the maintenance of light sources and systems within buildings and gaming halls used for the Group’s activities.

As a result, approximately 0.07% of the operational expenditure for 2024 is eligible under the Taxonomy Regulation.

24) For more detailed information, please refer to the Taxonomy Template – Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024.
25) For more information, please refer to the Taxonomy Template – Proportion of capital expenditure (CapEx) from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024.
26) For more detailed information, please refer to the Taxonomy Template – Proportion of operating expenses (OpEx) from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024.



Taxonomy Template

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – Disclosure covering year 2024

Financial year 2024	2024			Substantial Contribution Criteria					
Economic activities (1)	Code (2)	Turnover (3)	Share of turnover, year 2024 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)
		€ MM	%	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1 Environmentally sustainable activities (taxonomy-aligned)									
Turnover of environmentally sustainable activities (taxonomy-aligned) (A.1)		-	0.00%	0.00%	-	-	-	-	-
Of which enabling		-	0.00%	0.00%	-	-	-	-	
Of which transitional		-	0.00%	0.00%					
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)									
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL
Turnover of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		-	0.00%	0.00%	-	-	-	-	-
A. Turnover of Taxonomy eligible activities (A.1 + A.2)		-	0.00%	0.00%	-	-	-	-	-
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
Turnover of taxonomy non-eligible activities		2,004	100%						
Total		2,004	100%						

DNSH (“do no significant harm”) criteria									
Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) turnover, year 2023 (18)	Category enabling activity (19)	"Category transitional activity (20)"
Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	A	T
No	No	No	No	No	No	Yes	-		
No	No	No	No	No	No	Yes	-		
No	No	No	No	No	No	Yes	-		
							-		
							-		

Proportion of Total Turnover	
Taxonomy-aligned by objective	Eligible for taxonomy by objective
CCM	0.0%
CCA	0.0%
WTR	0.0%
CE	0.0%
PPC	0.0%
BIO	0.0%



Proportion of capital expenditure (CapEx) from products or services associated with Taxonomy-aligned economic activities – Disclosure covering year 2024

Financial year 2024	2024			Substantial Contribution Criteria					
Economic activities (1)	Code (2)	CapEx (3)	Proportion CapEx, year 2024 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)
		€ MM	%	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1 Environmentally sustainable activities (taxonomy-aligned)									
CapEx of environmentally sustainable activities (taxonomy-aligned) (A.1)		-	0.00%	-	-	-	-	-	-
Of which enabling		-	0.00%	-	-	-	-	-	-
Of which transitional		-	0.00%	0.00%					
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)									
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL
Transport by motorcycle, passenger car, and light commercial vehicle	CCM 6.5 / CCA 6.5	5.15	1.2%	EL	EL	N/EL	N/EL	N/EL	N/EL
Renovation of existing buildings	CCM 7.2 / CCA 7.2	9.30	2.20%	EL	EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance, and repair of energy efficiency devices	CCM 7.3 / CCA 7.3	0.61	0.14%	EL	EL	N/EL	N/EL	N/EL	N/EL
CapEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		15.07	3.56%	3.56%	0.00%	0.00%	0.00%	0.00%	0.00%
A. CapEx of Taxonomy eligible activities (A.1+A.2)		15.06	3.56%	3.56%	0.00%	0.00%	0.00%	0.00%	0.00%
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
CapEx of taxonomy non-eligible activities		408.24	96.44%						
Total		423.31	100%						

DNSH (“do no significant harm”) criteria									
Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of taxonomy-aligned (A.1) or eligible (A.2) CapEx, Year 2023 (18)	Category enabling activity (19)	"Category transitional activity (20)"
Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	A	T
No	No	No	No	No	No	Yes	-		
No	No	No	No	No	No	Yes	-		
No	No	No	No	No	No	Yes	-		
							-		
							-		
							0.12%		
							0.12%		
							0.12%		
Proportion of CapEx/Total CapEx									
Taxonomy-aligned by objective				Eligible for taxonomy by objective					
CCM			0.0%			3.56%			
CCA			0.0%			3.56%			
WTR			0.0%			0.0%			
CE			0.0%			0.0%			
PPC			0.0%			0.0%			
BIO			0.0%			0.0%			



Proportion of operating expenses (OpEx) rom products or services associated with economic activities aligned with the Taxonomy – Disclosure covering year 2024

Financial year 2024	2024			Substantial Contribution Criteria					
Economic activities (1)	Code (2)	OpEx (3)	Proportion OpEx, 2024 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)
		€ MM	%	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1 Environmentally sustainable activities (taxonomy-aligned)									
OpEx of environmentally sustainable activities (taxonomy-aligned) (A.1)		-	0.00%	0.00%	-	-	-	-	-
Of which enabling		-	0.00%	0.00%	-	-	-	-	-
Of which transitional		-	0.00%	0.00%					
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)									
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL
Renovation of existing buildings	CCM 7.2 / CCA 7.2	0.13	0.01%	EL	EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of energy efficiency devices	CCM 7.3 / CCA 7.3	0.72	0.06%	EL	EL	N/EL	N/EL	N/EL	N/EL
Operating expenses of activities eligible for the taxonomy but not environmentally sustainable (activities not aligned with the taxonomy) (A.2)		0.85	0.7%	0.7%	0.00%	0.00%	0.00%	0.00%	0.00%
A. OpEx of activities eligible for taxonomy (A.1 + A.2)		0.85	0.7%	0.7%	0.00%	0.00%	0.00%	0.00%	0.00%
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
OpEx of taxonomy non-eligible activities		1,252.35	99.93%						
Total		1,253.20	100%						

DNSH (“do no significant harm”) criteria									
Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of taxonomy-aligned (A.1) or eligible (A.2) OpEx, Year 2023 (18)	Category enabling activity (19)	“Category transitional activity (20)”
Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	A	T
No	No	No	No	No	No	Yes	-		
No	No	No	No	No	No	Yes	-		
No	No	No	No	No	No	Yes	-		
							-		
							-		
							0.00%		
							0,00%		

Proportion of OpEx/Total OpEx		
Taxonomy-aligned by objective		Eligible for taxonomy by objective
CCM	0.0%	0.07%
CCA	0.0%	0.07%
WTR	0.0%	0.0%
CE	0.0%	0.0%
PPC	0.0%	0.0%
BIO	0.0%	0.0%



Gas and Nuclear Activities - Model 1²⁷

Nuclear Activities		
1.	The company carries out, finances or has exposures to research, development, demonstration and implementation of innovative power generation plants that produce energy from nuclear processes with a minimum amount of fuel cycle waste.	No
2.	The company carries out, finances or has exposures to the construction and safe operation of new nuclear power plants for the generation of electricity or process heat, including for district heating purposes or for industrial processes such as hydrogen production, and improvements in their safety using the best available technology.	No
3.	The company carries out, finances or has exposures to the safe operation of existing nuclear power plants generating electricity or process heat, including for district heating or for industrial processes such as the production of hydrogen from nuclear energy, and improvements in their safety.	No
Fossil gas activities		
4.	The company carries out, finances or has exposures to the construction or operation of power generation plants using gaseous fossil fuels.	No
5.	The company carries out, finances or has exposures to the construction, rehabilitation and operation of combined heat/cool and power generation plants using gaseous fossil fuels.	No
6.	The company carries out, finances or has exposures to the construction, upgrading and operation of combined heat/cool and power generation plants using gaseous fossil fuels.	No

2.2 Climate change [ESRS E1]

Safeguarding the environment is a **fundamental pillar** of the Group's strategy, which is essential to guarantee **sustainable and lasting growth** over time, something that Lottomatica aims to achieve by focusing particular attention on **energy consumption** and **greenhouse gas emissions**, encouraging **virtuous behaviour also along the value chain**. Below is the list of IROs that were found to be relevant by the double materiality analysis and that the Group is committed to addressing through specific policies and concrete actions based on the concept of climate change mitigation and energy consumption.

ESRS E1 – CLIMATE CHANGE					
ESRS (SUB-TOPIC)	IRO	DESCRIPTION	POSITIVE /NEGATIVE EFFECTIVE /POTENTIAL	TIME HORIZONS	VALUE CHAIN
Climate change mitigation	I	Production of greenhouse gas emissions at all stages of the production chain of Lottomatica Group	Negative Actual	Short term Medium term Long term	Own Operations Upstream Downstream
Energy	I	Energy consumption from renewable sources in all stages of the production chain	Positive Actual	Short term Medium term Long term	Own Operations Upstream Downstream

Strategy

Disclosure requirement E1-1

Transition plan for climate change mitigation

Although the Lottomatica Group has not yet established a transition plan that meets the requirements of the ESRS standard, it is taking **significant steps as a leading public gaming company to address climate change**. Through its **environmental strategy**, the Group is actively committed

27) In accordance with Regulation 2021/2178, Model 1 of Annex XII to Regulation 2021/2178 with respect to the activities of Lottomatica Group is attached.

to contributing to the achievement of the 1.5°C global warming limitation targets set by the Paris Agreement. This strategy, known as the LESS (Lottomatica Environmental Sustainability Strategy), has been approved by the CEO, CFO, and CCO, and is centred around three key areas of action:

- **Environmental Impact**, aimed at enhancing energy efficiency, increasing the use of renewable energy sources, promoting environmental protection, and reducing impacts throughout the value chain;
- **Mobility Impact**, geared towards a series of initiatives aimed at optimising employee travel, also through the use of smart working practices;
- **Environment Culture**, aimed at raising employee awareness of environmental issues and ensuring adherence to the principles and commitments outlined in the Group Environmental Sustainability Policy.

Through the identification of **concrete actions and measurable medium-term objectives**, the Group aims to **reduce its carbon footprint**. One of the main tools for implementing the LESS strategy is the **decarbonisation plan**, through which Lottomatica aims to significantly reduce by 64% its direct greenhouse gas emissions over the next 10 years (Scope 1), and to reduce by at least 95% the emissions from energy purchases for offices and sales points by 2025 (Scope 2 market-based). Considerable efforts are also being made to reduce the most impactful Scope 3 categories, calculated according to the GHG Protocol. Developing the decarbonisation plan required a comprehensive assessment of direct, indirect, and value chain emissions. The results of this assessment led to the identification of the most effective decarbonisation levers and their valuation in economic terms:

- Green fuels sourcing;
- Green mobility;
- Green electricity sourcing;
- Supplier management (cat. 1);
- Green logistics (cat. 9).

The identification of these levers enabled the planning of targeted actions, such as:

- the zeroing of direct office emissions (Scope 1) by sourcing certified 100% green fuel and renewing the company fleet with electric and environmentally friendly vehicles;
- the zeroing of the indirect emissions of the offices and retail outlets (Scope 2) through the procurement of 100% certified green energy;
- the selection of suppliers that are mindful of the environmental sustainability of their activities, encouraging technological investments and responsible behaviours throughout the entire value chain, with the aim of reducing Scope 3 emissions.

For 2025, following an in-depth analysis of its carbon footprint, the Group is committed to identifying the most effective decarbonisation levers in alignment with the requirements of the Paris Agreement.



Disclosure
requirement related
to ESRS 2 SBM-3

Material impacts, risks and opportunities and their interaction with the strategy and business model

In April of 2024, Lottomatica launched a Climate Risk Assessment process to **identify and evaluate the physical and transitional climate-related risks** that could affect the Group's operations. In particular, the physical risks include events such as river and coastal floods, cyclones or tornadoes, hailstorms, landslides or avalanches, forest fires, high winds, water shortages, and heat and cold waves. Transition risks encompass regulatory and policy changes, technological advancements, market fluctuations, and reputational challenges. Lottomatica identified these risks as part of its broader strategy to align with leading climate reporting frameworks. This was achieved through a detailed analysis involving the following steps:

- mapping of climate risks;
- assessment of Lottomatica's vulnerability to these risks;
- evaluation and financial quantification of the climate risks;
- potential integration of these risks into the risk management framework -ERM Model.

Lottomatica's key strategic assets include its headquarters, gaming halls, betting shops, and strategic suppliers located throughout Italy. Due to their geographical locations, these assets are susceptible to physical risks that could result in business interruption days. The primary climate-related physical hazards in Italy that could disrupt operations are extreme heat waves, fires, river flooding, coastal flooding, and heavy rainfall. It was therefore possible to map the main climate risks, assess Lottomatica's vulnerability to these risks, and, where feasible, quantify the financial impact. This analysis was conducted in line with the guidelines of the leading rating agencies, particularly the Carbon Disclosure Project (CDP) and the Corporate Sustainability Reporting Directive (CSRD), with a specific focus on the ESRS E1 standard.

The Climate Risk Assessment conducted on the assets identified by Lottomatica Group revealed **no areas of critical risk**. In particular, the results of the impact in terms of business interruption days caused by acute physical risks showed that no assets would experience more than 10 Business Interruption Days (BIDs). For the directly managed gaming halls, the financial impact can be directly estimated using the EBITDA of these points of sale (retail network). No significant impacts related to short-term (2025 and 2030) climate-related risks were identified, even under the worst-case climate scenario. The business interruption days estimated by the analysis indicate minimal disruptions at most locations.²⁸

Although the analysis concluded that the physical and transitional climate-related risks are not currently significant, Lottomatica Group has reviewed and integrated them into its Enterprise Risk Management system to monitor and manage any potential future developments. On the other hand, the irrelevance of these risks excluded the need to conduct an analysis of the resilience of its strategy and business model in relation to climate change.

28) The climate risk analysis was performed considering the IPCC RCP (Representative Concentration Pathway scenarios 2.6, 4.5, 6.0 and 8.5) and on a 2025 and 2030 time horizon. In addition, the IPCC classification was used to represent different climate transition scenarios, each with different implications in terms of policies and technologies.

Description of processes for identifying and assessing relevant climate-related impacts, risks and opportunities

Disclosure
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to ESRS 2 IRO-1

For more information on climate change impacts, particularly the company's GHG emissions, please refer to ESRS E1-6, and for assessments of climate-related risks and opportunities, please refer to ESRS 2 SBM-3.

Management of impacts, risks and opportunities

Policies related to climate change mitigation and adaptation

Disclosure
requirement
E1-2

Environmental protection is a strategic priority for the Group, which is committed to preventing, managing, and, where feasible, reducing the environmental impacts of its operations — whether carried out directly or through suppliers and partners. This commitment is supported by the establishment of **specific policies**.²⁹ In this regard, the Environmental Sustainability Policy, which includes the Green Procurement Policy, addresses climate change mitigation, energy efficiency, and the promotion of renewable energy sources to achieve the goal of reducing the Group's energy consumption and associated emissions.

Actions and resources in relation to climate change policies

Disclosure
requirement
E1-3

In order to mitigate the adverse effects of emissions and enhance the positive impact of increased renewable energy consumption, the Group has implemented several climate change mitigation initiatives and actions, organised by decarbonisation lever. These initiatives resulted in an emission reduction of 1,441 tCO₂e.³⁰ In particular, with respect to decarbonisation levers, the following actions were carried out to 2024:

- **GREEN MOBILITY**
 - **Use of non-private means of transport:** The company shuttle service plays a crucial role in promoting more sustainable collective commuting options with reduced atmospheric emissions. In order to enhance efficiency and encourage greater employee participation, timetables and routes were optimised in 2024 to better integrate with the rail network.
 - **LTMCar:** The Group launched the “Let's Take My Car” carpooling app in order to discourage individual car use, promoting the sharing of commuting routes and expenses among colleagues who live nearby and have similar work schedules. Throughout the year, the app's usage was tracked, recording 141 downloads.
 - **Electric/hybrid company fleet:** The Group periodically overhauls its company car fleet, replacing older models with newer ones that have a lower environmental impact. The pool car travelled 1,900 km, while two fully electric company cars were assigned to employees.
 - **E – GAP:** Continuing its partnership with E-GAP in 2024, the Group enabled headquarter employees to conveniently recharge their electric vehicles on the go, contributing to global warming mitigation.

29) For more detailed information on the policies adopted by the Group for climate change mitigation, please refer to section “Summary of Policies” in the “General Information” chapter.
30) For further details on the economic actions and amounts in terms of capital expenditure (CapEx) and operational expenditure (OpEx) associated with the economic activities identified under Commission Delegated Regulation (EU) 2021/2178, please refer to the section 2.1 of this chapter, entitled “The EU Taxonomy.”



- GREEN ELECTRICITY SOURCING**
 - Green Energy:** The purchase of certified renewable energy helps reduce greenhouse gas emissions and aligns with the climate change mitigation goals. In this regard, in 2024, 88,7% of the emissions generated by its electricity utilities came from GO-certified renewable sources and included 100% of directly operated halls.
 - Energy efficiency in buildings:** The installation of energy-efficient LED lamps helps reduce greenhouse gas emissions and supports climate change mitigation efforts. In 2024, all the lights in the corridors of the headquarters (HQ Aldobrandeschi) were switched to LED.
- SUPPLIER MANAGEMENT (CAT. 1)**
 - Green Procurement:** Prioritising suppliers with environmentally friendly products or services is essential for advancing a more sustainable model, while at the same time fostering environmental awareness and education. In procurement processes, suppliers are assessed not only on technical and economic criteria, but also on sustainability. This factor can provide a competitive advantage in the evaluation process.
- MAINTENANCE OF ISO 14001:2015 CERTIFICATION:** In 2024, the Group maintained and expanded its environmental management system certifications based on the principle of risk management (ISO 14001). The following companies were certified in 2024: Marim, Big Easy, PWO, Totosì and Betflag.

Main actions	Field of application	Time horizons
Green Energy	The concessionaire's direct network gaming halls	Each year
Energy efficiency in buildings	Aldobrandeschi Headquarters	Each year
Use of non-private means of transport	Aldobrandeschi Headquarters	Each year
Green Procurement	Lottomatica Group	Each year
LTMCar	Aldobrandeschi Headquarters	Each year
E – GAP	Aldobrandeschi Headquarters	Each year
Electric/hybrid company fleet	Aldobrandeschi Headquarters	Each year
Maintenance of ISO 14001:2015 Certification	Gamenet; GBO Italy; Lottomatica Videolot Rete; Marim; Big Easy; PWO; Totosì; Betflag	Each year

Action	Type of financial resources	CapEx (€)	OpEx (€)	Link with financial statement items	Future financial resources (€)
Green Energy	Provision of services	-	22,987.41	Costs for services -Utilities, postage and logistics, security services	25,000
Energy efficiency in buildings	Provision of services	-	21,000	Costs for services -utilities, postage and logistics, security services	-
Use of non-private means of transport	Provision of services	-	147,433	Personnel costs -Other personnel costs	150,000
LTMCar	Internal development	n/a	n/a	n/a	n/a
E – GAP	Provision of services	-	1,000	Costs for services -Other	7,000
Electric/hybrid company fleet	Provision of services	-	8,000	Costs for services -Rentals, leases and other lease transactions	8,000
Maintenance of ISO 14001:2015 Certification	Provision of services	-	110,105	Costs for services -tax, administrative, legal and financial consulting	46,900

The transitioning of multiple electricity consumers across all Group companies to suppliers that provide 100% renewable energy certified by Guarantees of Origin requires the allocation of sufficient resources. Similarly, operating the Repair Lab to minimise the volume of WEEE waste leaving the organisation necessitates the assignment of dedicated personnel to the lab.

With the data collected for GHG emissions 2024, it will be possible to set quantitative reduction targets during 2025 that also refer to the following areas:

- stationary plants: continuing the shift to 100% renewable energy, electrifying gas utilities, and fostering agreements with network partners to achieve 100% renewable energy usage;
- mobile plants: low-emission or zero-emission company vehicles;
- low-emission logistics services.

Metrics and targets

Targets related to climate change mitigation and adaptation

Disclosure requirement E1-4

Through its LESS strategy, the Group aims to substantially reduce its carbon footprint over the medium term contributing to the achievement of the objectives within the Environmental Sustainability Policy, and it has set **decarbonisation targets** encompassing the operations of both the Group companies and their value chain. In fact, by implementing this decarbonisation plan, the Group is projected to reduce, **compared to 2023**, its **Scope 1 emissions by 64% by 2033, to reduce by at least 95% its Scope 2 market-based emissions by 2025**, and to cut its **Scope 3 emissions by 36% always with respect to 2033**.

Emissions	Base year	Base value	Target year ³¹	Target value	Reduction %
Scope 1 Emissions	2023	5,019 tCO ₂ e	2033	1,807 tCO ₂ e	-64%
Scope 2 Emissions	2023	2,142 tCO ₂ e	2025	107 tCO ₂ e	-95%
Scope 3 Emissions	2023	49,806 tCO ₂ e	2033	31,876 tCO ₂ e	-36%

Methodologies and assumptions for target setting

The Group employs the market-based method to calculate its Scope 2 emissions. The base year for Lottomatica's decarbonisation plan is 2023. Changes in the GHG inventory calculation methodology, favouring point data over spend-based methods, alongside adjustments to the Group's corporate perimeter following acquisitions of new companies, ensure that progress measurements accurately reflect external influences. The Procurement function directly oversees the achievement of the Scope 2 emission reductions. In 2023, the Lottomatica Group conducted a carbon footprint assessment following the GHG Protocol, the international standard for reporting greenhouse gas emissions. This Protocol provides for three emission categories: Scope 1 (direct emissions from company operations); Scope 2 (indirect emissions from purchased energy); Scope 3 (indirect emissions occurring along the value chain). The decarbonisation levers implemented in 2024 pri-

31) For Scope 2 GHG emissions, the target year was not set at 2030 because Lottomatica Group already plans to reduce its emissions by 95% in 2025.

marily targeted Scope 2 emissions by expanding the number of electricity consumers using 100% renewable energy with certified Guarantees of Origin. The GHG emission reduction targets, as well as the objectives for managing climate-related IROs, were established by analysing two scenarios: business as usual (BAU) and market evolution. The decarbonisation levers proposed by the ten-year decarbonisation plan build upon the initiatives already implemented by the Group. The data gathered concerning the 2024 GHG emissions will serve as a basis for setting quantitative reduction targets in 2025, which will focus on the following areas:

A dedicated corporate function, together with the Environmental Sustainability Committee established in 2024 (which includes the Internal Audit Department), continuously monitors the alignment of GHG emission reduction targets with the scope of its inventory. The Group is also considering adopting ISO 14064 certified systems in the near future.

For each lever, the CO₂ reduction potential between 2033 and 2023 was compared in relation to its specific Scope:

- With regard to **Scope 1**, the Group aims to **reduce its emissions over the next 10 years through the purchase of Guarantees of Origin (GOs) for biomethane**. In this scenario, the year in which to begin purchasing GOs has been set at 2028. The BAU scenario estimates a 2% annual increase in gas consumption at the headquarters. Based on the potential market evolution lever, it is assumed that purchasing GOs for biomethane will also be possible in Italy. Using this lever, emissions from gas consumption are projected to decrease by 61% by 2033 with respect to the 2023 baseline. Another lever concerning the gradual transformation of the company fleet was also identified. The analysis scenario assumes a reduction in emissions due to the gradual shift to electric vehicles or other technologies within the car fleet starting in 2026, coinciding with the expiration of the current lease contracts. The BAU scenario reflects the emissions from the fuel used by Lottomatica's car fleet without any the application of any lever, assuming an annual increase of +1% in the total number of cars. With the identified lever, which involves replacing 5 diesel vehicles in the Group's car fleet with 5 electric vehicles each year, emissions from car fuel usage will decrease by 3% by 2033 with respect to the 2023 baseline.
- With regard to **Scope 2**, the lever considers the **purchase of Guarantees of Origin (GOs) to reduce emissions from electricity used in the Group's direct gaming halls** not yet covered by GOs.
- With regard to **Scope 3**, potential levers have been analysed, which are still being defined as the calculations are ongoing. In particular, with regard to category 1, the Purchased goods and services emissions, the emission reductions are considered due to technological advancements and growing awareness among market players in adopting sustainable and green initiatives. The scenario considers the Scope 3 Category 1 impact (Purchased goods and services emissions), with a 26% reduction by 2033 compared to the BAU Scenario. As a responsible leader, Lottomatica has already implemented an extensive green procurement program, as outlined in its Environmental Policy and Supplier Code of Conduct. This policy mandates that all suppliers comply with environmental laws, regulations, and standards, implement an effective system to identify and mitigate environmental risks, and take measures to continuously improve their environmental management systems and performance. The Suppliers must uphold the principles of recycling, reuse, and reducing consumption. They must also commit to reducing their consumption of energy and other resources, reducing the waste and emissions that they produce, and constantly increasing their use of renewable energy sources. Regarding categories 4 and 9, upstream and downstream transportation distribution, a market analysis was conducted, factoring in the emission reductions resulting



from the gradual adoption of electric vehicles by suppliers, which is projected to lead to a 10% reduction in emissions per year. With respect to the emissions that would occur in 2033 under the BAU scenario, there is a 65% reduction. With respect to the baseline emissions of 2023, the reduction amounts to 53%.

Energy consumption and mix

The consumption of electricity within offices, gaming halls, and sales outlets are the main sources of direct and indirect energy consumption, the values of which have been aggregated in the following table, calculated in MWh.

Disclosure
requirement
E1-5

Fuel consumption	u.m.	2024
From non-renewable sources		
Natural gas for heating		15,303.74
Natural gas for motor vehicles		0.16
Diesel fuel for motor vehicles	MWh	8,284.91
Petrol for motor vehicles		2,342.06
LPG for motor vehicles		41.42
From renewable sources		
HVO biodiesel for motor vehicles		26.19
Total fuel consumption from fossil sources		25,998.50

Energy purchased	u.m.	2024
Electrical energy purchased from non-renewable sources		1,544.14
Electrical energy purchased from nuclear sources		0
Electrical energy purchased from renewable sources	MWh	26,392.00
Energy purchased for district heating		64.96
Total energy purchased		28,001.10

Total energy consumption	u.m.	2024
Total energy consumption from fossil sources		27,516.45
Total energy consumption from nuclear sources		0
Total energy consumption from renewable sources		26,483.14
Of which: fuel consumption from renewable sources, including biomass (also including industrial and municipal waste of biological origin), bio-fuels, biogas, hydrogen from renewable sources	MWh	26.19
Of which: consumption of electricity, heat, steam and cooling from renewable sources, purchased or acquired		26,392.00
Of which consumption of self-produced renewable energy without using fuels		0



Disclosure
requirement
E1-6

Gross Scopes 1, 2, 3 and Total GHG emissions

Total emissions	u.m.	2024
Scope 1 Emissions		
Gross Scope 1 emissions	tCO ₂ e	5,956.46
Scope 1 emissions covered by regulated emissions trading schemes	%	0
Scope 2 Emissions		
Gross Scope 2 location-based emissions	tCO ₂ e	6,666.06
Gross Scope 2 market-based emissions		720.63
Scope 3 Emissions		
Total gross Scope 3 location-based indirect emissions	tCO ₂ e	73,868.86
Total gross Scope 3 market-based indirect emissions		73,259.59
1. Purchased goods and services		4,360.03
Subcategory: Cloud computing and data centre services		238.54
2. Capital goods		14,132.16
3. Fuel and energy-related activities (not included in Scope 1 or 2) location-based		2,537.42
3. Fuel and energy-related activities (not included in Scope 1 or 2) market-based		1,928.10
4. Upstream transport and distribution		6,250.43
5. Waste generated during the course of operations		209.01
6. Business travel		351.50
7. Employee commuting		3,058.46
8. Upstream leased assets		3,668.29
9. Downstream transportation		10,001.84
11. Use of the products sold		23,114.71
13. Downstream leased assets		5,946.54
Total emissions		tCO ₂ e
Total emissions (location-based)	86,491.45	
Total emissions (market-based)	79,936.68	

The intensity of greenhouse gas emissions in relation to net revenues is a key indicator for assessing the Group's environmental efficiency.

Intensity of emissions with respect to net revenues	u.m.	2024
Total emissions (location-based) with respect to net revenues	tCO ₂ e / €	0.0000431
Total emissions (market-based) with respect to net revenues		0.0000398

Estimates and assumptions for calculation

Lottomatica Group's corporate scope has evolved significantly in recent years, making it necessary to **continuously refine the methodology used to calculate GHG emissions**. Up until the 2023 Sustainability Report, particularly for Scope 3 emissions, spend-based quantification methods were also employed due to technical and organisational feasibility. These methods were chosen because

they minimised the operational burden on the processes and structures responsible for monitoring environmental performance, given the Group's broad and diverse business activities. Consequently, during the course of 2024, Lottomatica initiated an organisational and procedural enhancement process, which allowed for more detailed data collection. This, in turn, allowed the spend-based methods to be replaced with approaches that more accurately reflect specific emission sources, including activity-based, production-based, and distance-based analyses. This approach involved a detailed examination of each Group company's core business, the GHG emission significance of the upstream and downstream supply chain interactions, and the identification of categories and corresponding emission sources that most accurately represent the Group's environmental impact, in accordance with the ESRS E1 standard. Therefore, for the preparation of this Sustainability Statement, in line with the CSRD requirements, an in-depth analysis of the corporate scope was carried out to accurately reflect the organisational holdings with emission relevance. This was achieved by applying the operational control criterion and establishing a hierarchical framework for calculating GHG emissions (organisation carbon footprint) up to the first level of Lottomatica Group (Lottomatica Group S.p.A.).

In 2024, Lottomatica adopted a dual and interchangeable framework for Carbon Footprint calculation, enabling the Group to report GHG emissions according to both the **GHG Protocol and the ISO14064 standard**. The methodological procedure for collecting, organising, and measuring GHG emissions involved several steps applied to each Group company:

1. **GHG Analysis:** this phase was carried out through a series of training and shadowing workshops conducted by the specialised emissions team. The purpose was to analyse the primary emission sources associated with the activities of each legal entity within Lottomatica Group. In particular, thanks to the active involvement of Lottomatica's Environmental Committee and the designated contacts (either top management or cross-functional organisational figures with in-depth knowledge of the specific business), the analysis was focused on identifying the main activities of each company in order to determine its GHG emission impact profile. Through the analysis of the emission sources' significance, this process made it possible to identify the "facilities" (including individual plants, groups of facilities, or stationary and mobile production processes) within each organisational boundary from which one or more GHG emission sources could originate. For indirect emissions, a significance analysis (magnitude, influence, and accountability) was conducted to determine the inclusion or exclusion of specific categories for the following stages of data collection and GHG inventory.
2. **GHG data collection:** this phase involved gathering data for all the Group's companies through the ESGeo application tool, primarily for Scope 1 and Scope 2 primary data as well as for data on waste diverted or destined for disposal, while Scope 3 primary data were collected using the guided calculation folder. For example, activity data were gathered on emissions such as the amount of energy consumed (m3), fuel used (l), electricity consumption (kWh), material produced by type of good (kg), and capital goods purchased by type of good (kg) for more than a total of 360 climate change relevant environmental impact activities for about 110 types of GHG emitting sources.
3. **GHG Inventory:** in this phase, the list of significant GHG sources identified and their respective quantified emissions for each legal entity were structured and defined, followed by the subsequent review and aggregation at the first-level subsidiaries and the top-level Lottomatica Group. The main emission factors applied were those from ISPRA and DEFRA, deemed appropriate for calculating the organisation's carbon footprint using both activity-based and production-based methodologies. For some specific GHG-generating activities, sector studies

have been used, such as for cradle-to-gate factors related to vehicles and trucks, and cloud services operations.

For the sake of completeness, it should be noted that the primary source of asynchrony between Lottomatica's GHG emission reporting requirements and the availability of data from multiple suppliers primarily stems from goods or services acquired during the final period of 2024 (fourth quarter or December). All Group companies were required to consolidate the necessary performance data as soon as possible (no later than January 2025). Finally, where supplier data were unavailable, an estimate based on historical trends and factual validation of activities with relevant GHG emissions was requested. The most significant GHGs, as stipulated in the Kyoto Protocol, were included in the emissions calculation.

The main complementary contractual instrument used by Lottomatica Group for purchased electricity is the Guarantee of Origin — an electronic certification issued by the GSE attesting to the renewable origin of the energy sources utilised. With regard to the Scope 2 GHG emissions related to imported energy, if a Lottomatica Group company does not acquire the corresponding GO for its electricity purchase, the market-based methodology (which allows Lottomatica to classify the consumed energy as renewable based on GO certification) cannot be applied. Consequently, the GHG emission impact expressed in CO₂e cannot be reported as zero. In such cases, or rather without GOs, Lottomatica instead applies the location-based approach, considering the energy mix of the country where the relevant stationary user is located. The GHG emission impact, expressed in CO₂e, is therefore calculated using the emission factor corresponding to that country's electricity consumption (e.g. Italy, Malta, Serbia, Austria, etc.). No significant biogenic CO₂ emissions from Scope 1 were identified during the course of the significance analysis, as there was no evidence of organic materials or biomass being used in Lottomatica's operational and production processes. In specific cases, such as resource outflows involving wood, the corresponding CO₂ emission contribution has been incorporated into the respective emission factor.

All CSRD perimeter companies within Lottomatica Group were included in the significance analysis, which formed the basis of data collection for the Group's Carbon Footprint. The significance analysis carried out for each company revealed the main categories of GHG-emitting sources. The Scope 3 emission categories are outlined below in accordance with the order and nomenclature provided by the GHG Protocol, along with the relative calculation methodology applied.

1. **Purchased goods and services:** based on the data regarding recurring or business-defining product purchases, weights and quantities were determined and subsequently converted using material-specific conversion factors. The main services considered material for the Group are Data Centre and Cloud services, for which the open-source Cloud Carbon Footprint methodology was applied.
2. **Capital goods:** the capital goods capitalised in the asset book and directly related to Lottomatica's business activities are mainly electrical and electronic equipment (i.e. Information Technology), electromechanical equipment (e.g. for the gaming offer) and vehicles (for commercial and logistics activities). The GHGs themselves were calculated with conversion factors relating to the use of IT materials and metals or using product carbon footprint values (as per the Low Carbon Vehicle Partnership source). The furnishings were considered for the Billions and Big Easy large direct rooms and for the Gamenet and Lottomatica Videolot Rete concessionaires. With regard to "capital goods", the GHG impact allocation for the year of reference is calculated using the annual depreciation rates as per the Ministry of Economy and

Finance Decree of 31/12/1988 and subsequent amendments and additions (i.e. Electromechanical and electronic machines including computers 20%, Transport vehicles 20%, Cars 25%, Furniture 12%). Only for the annual depreciation rate relating to VLT gaming machines, based on the financial depreciation logic used for the financial statements, the depreciation rate is set for VLT machines at 12.5%.

3. **Fuel- and energy-related activities** (not included in Scope 1 or 2): based on the consumption data reported under Scope 1 and Scope 2, emissions resulting from the production and transportation of purchased energy were assessed, considering network losses of 10% in LV and 3.8% in MV, as indicated by ARERA. Well-to-tank (WTT) conversion factors were applied to fuels and other imported energy.
4. **Upstream transport and distribution:** emissions from upstream transport were calculated using a weighted conversion factor, assuming 30% of the journey by van and 70% by articulated lorry, in line with typical express courier routes within Italy.
5. **Waste generated in operations:** an LTM Group company can only accurately report output resource data for each of its locations if its recovery or disposal activities are supported by processes that enable proper quantification, whether mandated by regulatory requirements or operational practices. For example, if a company procures services from authorised private sector operators for the collection and treatment of materials and waste (whether classified as Municipal Solid Waste, special waste, or hazardous waste) due to either regulatory obligations or operational agreements with the local public service, these operators issue appropriate documentation. Such documentation, where applicable, also contributes to reporting through the Unified Environmental Declaration Form (MUD). Consequently, at present, the GHG emission impact can only be calculated for companies that have established classification and quantification processes for output resources as described above. Lastly, therefore, operational sites that rely solely on a municipal collection service compliant with the Ta.Ri. waste management scheme and do not fall within the framework of the MUD documentation outlined above are not classified as generating significant GHG emissions in 2024. This classification is also due to the inability to quantify outgoing resources (unless the local public waste manager issues formal certification of the collected material quantities and their destinations).
6. **Business trips:** the total kilometres travelled are converted based on the mode of transportation used (short-term rental car, train, or plane). Like in 2023, a daily mileage of 150 km per rental is estimated for 2024.
7. **Employee commuting:** the GHG emission impact is calculated for each mode of travel based on kilometres travelled, while emissions related to remote work are assessed based on hours worked from home.
8. **Upstream leased assets:** this category primarily includes assets similar to capital goods, but without ownership rights, as they are acquired through rental, leasing, or revenue-sharing contracts to generate value. In these cases, the cradle-to-gate emission impact is conventionally distributed over a 5-year period, which represents the standard average contract duration and typical usage period for inventoried capital goods.
9. **Downstream transport:** from the kilometres used for downstream transport, a weighted conversion factor was used, calculated for 30% of the journey by van and 70% by articulated lorry, for the typical journeys of an express courier in Italy (coefficients calculated on the basis of ISTAT 2022 statistics, prudential approach, see similar reference for category 4). This category also conventionally includes emissions related to the transport of customers and visitors at Lottomatica's direct rooms larger than 1000sqm, as per subcategory 3.4 of ISO14064:2018.
11. **Use of products sold:** the usage scenarios for the products/services that generate Lottomatica Group's primary revenue streams have been aligned with those of the physical gaming

business. The estimated energy consumption of the gaming devices managed by the Group's companies is based on an operational period specific of the type of the machine/channel, with typical electricity consumption levels for each device type. Similarly, the online gaming business considers the estimated consumption of users' devices, factoring in the number of users and the average duration of gaming sessions. It should be noted that this category includes all energy consumption relating to gaming machines operated at the premises of parties outside Lottomatica; this classification brings into this category 11, relating to the use of products sold, part of the GHG emissions that in the 2023 reporting year had been classified in category 13, i.e. downstream leasing activities.

12. **End-of-life treatment of products sold:** an analysis of this category revealed that Lottomatica Group engages extensively in the refurbishment of electronic gaming cards, carried out by specialised Group companies, as well as the refurbishment of gaming machines in general, thus contributing to their long life cycle. Lottomatica Group also provides digital services, which do not generate any significant waste materials. Consequently, all relevant end-of-life materials are disposed of and reported under category (5) Waste generated in operations.
13. **Downstream leased assets:** this specific category is specifically measured for GHG emissions related to the electrical energy consumption generated by IT terminals and equipment operated at the Lottomatica Group's betting sales network, as capital goods made available to the network to carry out certain sales, user information, promotion and provision of its services through indirect physical channels.

Categories 10 (Processing of sold products), 14 (Franchising), and 15 (Investments) were not identified as significant sources of GHG emissions.

Disclosure
requirement
E1-9

Anticipated financial effects from material physical and transition risks and potential climate-related opportunities

For more details on the expected financial effects of the physical climate risks resulting from the Climate Risk Assessment, please refer to Disclosure Requirement E1 ESRS 2 SBM-3.

2.3 Resource use and circular economy [ESRS E5]

Lottomatica Group regards **environmental protection** as a **strategic priority** in its pursuit of sustainable value creation, and remains committed to the **efficient use and management of natural resources and waste, promoting responsible practices** throughout its value chain. The following is a list of relevant IROs from the double materiality analysis that the Group actively manages through targeted policies and tangible actions aligned with the principles of a circular economy, with the aim of minimising resource waste and promoting responsible waste management.

ESRS E5 – USE OF RESOURCES AND CIRCULAR ECONOMY

ESRS (SUB-TOPIC)	IRO	DESCRIPTION	POSITIVE / NEGATIVE ACTUAL / POTENTIAL	TIME HORIZON	VALUE CHAIN
Waste	I	Generation of waste that requires disposal (incineration/landfill) rather than recycling	Negative Actual	Short term Medium term Long term	Own Operations Upstream Downstream

Lottomatica Group's offices and gaming halls generate almost exclusively municipal solid waste, most of which is adequately separated and disposed of through public waste collection services based on the criteria established by the Municipalities in which they're located. The disposal of special waste (hazardous and non-hazardous) and waste similar to municipal waste that is not managed at the municipal level is entrusted to qualified companies that ensure the application of the current regulations.

Management of impacts, risks and opportunities

Policies related to resource use and circular economy

Disclosure
requirement
E5-1

Lottomatica's circular economy commitments and **policies**³² focus on **minimising resource consumption and waste generation**. The Group also **encourages its suppliers to comply with environmental regulations and implement circular economy principles** to continuously improve their adopted management systems and improve their overall environmental performance.

Actions and resources related to resource use and circular economy

Disclosure
requirement
E5-2

In 2024, the Group launched **multiple initiatives focused on circularity and sustainable resource management**, in order to mitigate the negative impacts of waste generation, including:

- Repair Lab - Repair / Disposal:** The in-house repair workshop evaluates whether company assets can be repaired, reused, or disposed of, in accordance with the ISO 14001-certified company procedures. To this end, it engages in daily circular economy activities, such as the repair and maintenance of all electronic assets, enabling the Group to minimise its environmental impact, extend product life cycles, and reduce waste production, while at the same time ensuring compliance with the current regulations. In 2024, a total of 13,660 different electronic assets were processed, with 84.5% being successfully refurbished or re-purposed. If an asset is deemed irreparable or unsuitable for reuse, on the other hand, the Repair Lab categorises the waste in compliance with relevant regulation on the topic, thus optimising waste management, ensuring regulatory compliance, and maintaining stricter control over hazardous waste materials. 14.5% of the electronic assets processed in 2024 were disposed of, representing a slight decrease from 14.6% in 2023.
- Redemption of electronic devices:** Lottomatica Group allows its employees to redeem their company computers and mobile phones for personal use through a dedicated redemption process, thus extending the life cycle of the company assets and reducing their environmental impact. In this regard, 40 corporate devices were redeemed in 2024, and a redemption / donation campaign involving 180 PCs is being planned for 2025.

32) For further details on the Group's circular economy policies, please refer to section "Summary of Policies" in the "General Information" chapter.

- **Donation of electronic devices:** Lottomatica also donates unused or unredeemed electronic equipment to third-sector organisations, thus extending the life-cycles of these company items, optimising waste management, and avoiding unnecessary production. In this regard, 6 corporate devices were donated in 2024, and a redemption / donation campaign involving 180 PCs is being planned for 2025.
- **Waste separation:** The Group adheres to local regulations for waste collection, and optimises its waste management by prioritising proper waste separation to ensure its correct disposal and minimise environmental impact. In this regard, a monitoring process was introduced in 2024 to track the volume of municipal waste generated at the Aldobrandeschi site.
- **Become green:** The “Become Green” internal awareness campaign launched in 2020 promotes sustainable practices and encourages waste separation through educational materials. In particular, 17 employees took part in a beach clean-up event held in Ostia in 2024, in collaboration with Ambiente Mare Italia.
- **GoSign:** As part of its sustainability efforts, the Group launched a digitisation project in 2022 aimed at progressively reducing its office paper consumption and, consequently, municipal waste. In particular, using the InfoCert Group's GoSign platform, Lottomatica has significantly reduced its paper usage by enabling digital uploads and signatures for documents, such as supplier contracts, purchase orders, work agreements, and policy approvals, and has also greatly reducing the number of printouts needed for the relevant intermediate stages. In 2024, the year the platform became fully operational, more than 185,000 pages were processed, representing an almost 600% increase from the 27,330 pages recorded in 2023. This upward trend is expected to continue in 2025, potentially reaching 220,000 pages, reflecting a 20% growth.
- **FSC Paper:** Lottomatica Group is committed to optimising its use of FSC-certified thermal paper for printing gaming receipts. While the current legislation does not yet permit the complete dematerialisation of these documents, the Group Companies are continuously working to minimise their paper usage while ensuring compliance with the industry regulations. In keeping with its efforts from previous years, in 2024, all paper for office and stationery use at the Rome headquarters on Via degli Aldobrandeschi was 100% recycled and FSC certified.
- **CFP Assessment:** In order to enhance the circular design of its products, in late 2024 and early 2025 Lottomatica initiated a preliminary assessment to measure and report on its carbon footprint (CFP), following the internationally recognised Life Cycle Assessment (LCA) standards. This initiative will provide greater insights into the materials and components used in the Group's manufacturing processes, with the prospect of also obtaining ISO 14067 certification in the coming years.

Main actions	Field of application	Time horizons
Repair Lab - Repairs	Concessionaires	Each year
Repair Lab - Disposal	Concessionaires	Twice a year
Redemption of electronic devices	Aldobrandeschi Site	Each year
Donation of electronic devices	Lottomatica Group	Each year
Waste separation	Aldobrandeschi Site	Each year
Become green	Aldobrandeschi Site	2024
GoSign	Lottomatica Group	Each year
FSC Paper	Aldobrandeschi Site	Each year
CFP Assessment	Lottomatica Group	2025

Action	Type of financial resources	CapEx (€)	OpEx (€)	Link with financial statement items	Future financial resources (€)
Repair Lab -Repairs	Purchase of goods	-	96,400	Goods and other purchases	95,000
Repair Lab -Disposal	Provision of Ser- vices	-	9,400	Other operating costs and expenses	10,000
Become green	Donation	-	1,500	Other personnel costs	-
GoSign	Purchase of software licenses	28,060	-	Tangible fixed assets –software	12,200
FSC Paper	Purchase of goods	-	2,448.42	Other operating costs and expenses –purchases of goods and other purchases	2,500
CFP Assessment	Provision of Services	-	5,490.00	Costs for services – tax, administrative, legal and financial consulting	14,640

Metrics and targets

Targets related to resource use and circular economy

The Group remains committed to waste prevention in alignment with its Environmental Sustainability Policy, ensuring that all waste generated is managed in accordance with the applicable laws and internal regulations. In this regard, no specific quantitative waste reduction targets have been set, also considering the fact that, in carrying out its business activities, the company almost exclusively generates waste comparable to municipal waste. However, in addition to adopting monitoring KPIs to assess the effectiveness of the Environmental Sustainability Policy and initiatives undertaken to reduce the impact of waste generation, as described in the previous paragraphs, the Group is considering setting targets within its sustainability strategy.

Disclosure requirement E5-3

Resource outflows

Lottomatica has also established a **structured waste management and monitoring system**, which includes periodically updated procedures, oversight of outsourced operations, and ongoing employee communication and awareness programmes to encourage waste reduction. In 2024, a total of 830.03 tonnes of waste were generated, of which 346.22 tonnes were classified as hazardous, and mainly fell into two categories:

- municipal waste, generated through standard office, gaming hall, and warehouse operations, which is sorted and mostly managed by public collection services according to Municipal guidelines;
- hazardous and non-hazardous special waste, mainly resulting from activities at the Repair Lab, and the AWP and VLT divisions.

The **disposal** of special **waste** (hazardous and non-hazardous) and waste similar to municipal waste that is not managed at the municipal level is **entrusted to qualified companies** that ensure the application of the current regulations. The main type of waste produced, consistent with the Group's sector, is electrical / electronic, and is mainly derived from the use of AWP machines, VLTs and gaming hall equipment. These waste materials can be hazardous or non-hazardous, and mainly consist of electrical / electronic components, printer ink, and lithium for batteries.

Disclosure requirement E5-5

2024			
Waste diverted from disposal	u.m.	Hazardous waste	Non-hazardous waste
Preparation for re-use		0	41.89
Recycling		0	80.69
Other recovery operations	t	164.16	341.93
Total		164.16	464.51
		628.66	

2024			
Waste directed to disposal	u.m.	Hazardous waste	Non-hazardous waste
Incineration		0	0
Landfill disposal		0.06	19.31
Other disposal operations	t	182.00	0
Total		182.06	19.31
		201.37	

Non-recycled waste	u.m.	2024
Non-recycled waste		201.37
Total waste	t	830.03
Percentage of waste not recycled	%	24.26

The methodology used to calculate the amount of municipal waste resulting from the TARI took into account the prevailing activity of the property, the square metres, and the period of ownership. For special waste, the methodology was based on the analysis of the Waste Identification Form (FIR), which accompanies the transport of any type of waste, and, in particular, the so-called “fourth copy,” which indicates the quantities, types and treatment of the waste consigned by the Group to companies authorised to transport and deliver it to recovery and/or disposal sites.





3. Social information

3.1 Own workforce [ESRS S1]

Lottomatica Group prioritises the **protection** and **well-being** of its workforce as a key **strategic priority** for creating sustainable value. It remains committed to fostering **fair, safe, and inclusive working conditions** while **actively promoting employees' rights**.

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The following is a list of Identified Relevant Outcomes (IROs) from the double materiality analysis that the Group actively manages through targeted policies and tangible actions aimed at advancing equity, skills development, organisational well-being, and the protection of diversity and inclusion.



ESRS S1 - OWN WORKFORCE					
ESRS (SUB-TOPIC)	IRO	DESCRIPTION	POSITIVE / NEGATIVE ACTUAL / POTENTIAL	TIME HORIZON	VALUE CHAIN
Working conditions	I	Employment stability and work-life balance	Positive Actual	Short term Medium term Long term	Own operations
	I	Violations of rights and regulations concerning working conditions	Negative Potential	Medium term Long term	Own operations
	O	Flexible and hybrid work models can enhance employees' work-life balance while simultaneously reducing personnel costs		Short term Medium term Long term	Own operations
	I	Raising employee awareness of occupational health and safety issues	Positive Actual	Short term Medium term Long term	Own operations
	I	Workplace accidents	Negative Actual	Short term Medium term Long term	Own operations
	R	Inadequate/partial compliance with the occupational health and safety regulations		Short term Medium term	Own operations
Equal treatment and opportunities for all	I	Incidents of discrimination and gender pay disparity	Negative Actual	Short term Medium term Long term	Own operations
	I	Employee attraction, development, and training	Positive Actual	Short term Medium term Long term	Own operations
	O	Investment in training and skill development programmes, including funded training and e-learning, can help attract and retain a highly qualified and diverse workforce while managing associated costs effectively		Short term Medium term Long term	Own operations
Other work-related rights	I	Human rights violations	Negative Potential	Medium term Long term	Own operations
	I	Cyber attacks and/or theft of information	Negative Potential	Medium term Long term	Own operations
	R	Incorrect/lack of management of logical access constraints		Short term Medium term	Own operations
	R	Untimely, incomplete and/or incorrect implementation of the established security policies and specifications		Short term	Own operations
	R	Failure to identify actions to prevent cyber attacks or theft of information and data		Short term Medium term	Own operations
	R	Inadequate establishment, implementation, review, maintenance or improvement of the Information Security Management System (ISMS) within the context of the implementation and management of information systems and services related to the legally required retention activities		Short term Medium term	Own operations
	R	Inadequate data management, in terms of: confidentiality, integrity and availability		Short term Medium term	Own operations

Strategy

Material impacts, risks and opportunities and their interaction with the strategy and business model

Disclosure
requirement related
to ESRS 2 SBM-3

The Group's workforce primarily consists of employees, and all individuals upon whom Lottomatica may have a material impact are included within the scope of disclosure under ESRS 2. This inclusion is based on the IRO analysis conducted through the double materiality process. In addition, the material negative impacts identified are not structurally linked to Lottomatica, but instead arise from isolated incidents, as they consist of specific cases affecting individuals rather than the entire organisational structure.

At the same time, the Group generates positive impacts through initiatives designed to address the employees' daily needs, while safeguarding and enhancing their rights. Key measures include inclusive contractual policies, employee welfare and well-being programs, an ISO 45001-certified safety management system, health and safety awareness campaigns, coaching and professional development courses, and partnerships with higher education and specialised training institutions.

Lottomatica continuously carries **out control activities on workforce-related risks and opportunities** across three main areas:

- **Funded training:** by implementing professional development programmes and strengthening employee skills (through both funded training and e-learning), the Group aims to attract and retain a highly qualified and diverse workforce;
- **Smart working:** with its flexible working model, the Group aims to improve its employees' work-life balance;
- **Retention:** adequate salaries and stable employment conditions help retain talent, reducing turnover and minimising delays in replacing resources. These initiatives proactively address resource management challenges by optimising resource allocation, enhancing engagement, and strengthening corporate resilience, thus fostering a sustainable, inclusive, and growth-oriented work environment.

In line with its environmental strategy “LESS” (Lottomatica Environmental Sustainability Strategy), the Group remains dedicated to promoting environmental awareness through targeted programmes and initiatives within the Become Green project pillar, which was established in 2019 to raise awareness of sustainability among the Group and its employees. Feeling as if they are part of a shared commitment to environmental protection, the employees develop a stronger sense of belonging and motivation, viewing the company as an active participant in building a better future. **Environmental awareness** thus becomes a unifying force, **reinforcing corporate identity and cohesion** while directly enhancing both individual and collective well-being. Initiatives such as office waste separation, plastic bag recycling (in Serbia), and the installation of water dispensers to encourage the use of thermal water bottles at the corporate headquarters not only improve the workplace environment, but also inspire responsible and proactive behaviour among employees. In addition to these efforts, in 2024, the Group launched its first volunteer initiative, organising a clean-up day in collaboration with Ambiente Mare Italia to help restore a beach along the Roman coastline.



It should be noted that no operations in 2024 posed a significant risk of forced or compulsory labour. Moreover, Lottomatica has not identified any categories of its workforce that are particularly vulnerable to adverse effects stemming from specific characteristics, work environments, or job functions, nor any significant risks or opportunities that would impact specific groups of workers separately from the workforce as a whole. The analysis did not reveal any relevant risks of this nature.

Management of impacts, risks and opportunities

Disclosure
requirement
S1-1

Policies related to own workforce

Lottomatica has implemented **specific workforce management policies**³³ designed to guarantee **respect for human rights** and ensure a **fair and safe working environment**. In particular, the Policy on the protection and preservation of Human Rights, approved by the Board of Directors, applies to all subjects within the Group's value chain, including employees, suppliers, partners, and customers. It is focused on non-discrimination, fair and favourable working conditions, health and safety, training, and the protection of freedom of association and collective bargaining. It also explicitly addresses the prevention of child labour and forced labour.

Lottomatica's workforce **policies** align with the **internationally recognised standards** and are **re-viewed annually** based on assessments and monitoring of the national and global trends in the field of fundamental rights protection. In particular, through its policies and Code of Ethics, the Group **adheres** to the **principles of the Universal Declaration of Human Rights**, the **International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work**, and the **eight core ILO Conventions**, including those on forced labour (Conventions 29 and 105), freedom of association (87 and 98), equal remuneration (100), non-discrimination in employment (111), and the abolition of child labour (138 and 182).

Lottomatica employs **structured tools to engage and listen** to employees, including discussions with the HR team, periodic surveys, and onboarding processes, all aimed at fostering **active employee participation** in company decision-making. In order to safeguard workers' rights, the company has established **reporting mechanisms** and **procedures** for managing and addressing any negative impacts on human rights. These include the Whistleblowing Procedure and the dedicated whistleblowing system. Moreover, Lottomatica has implemented an occupational safety management system that ensures continuous monitoring of working conditions, provides risk training, and supplies accident prevention tools.

The Group has **introduced targeted policies to eliminate discrimination and promote equal opportunities**. These policies explicitly affirm that Lottomatica operates with impartiality and does not tolerate any form of direct or indirect, multiple, or inter-related discrimination based on gender, age, disability, ethnic, social, or geographical background, trade union affiliation, language, religion, political or sexual orientation, gender identity, nationality, marital status, or socio-cultural background. The company's commitment to diversity and inclusion is reinforced through a dedicated policy that not only guarantees fair treatment, but also includes specific measures to

33) For more detailed information on the policies adopted by the Group concerning its own workforce, please refer to the "Summary of Policies" section in the "General Information" chapter.

support the most vulnerable groups within the workforce. The implementation of these policies is supported by corporate procedures designed to prevent and address incidents of discrimination, fostering an inclusive and respectful work environment for all.

- **HR Processes:** The recruiting process upholds the values of diversity and inclusion, ensuring transparency and impartiality in the selection process. Job postings include explicit statements against all forms of discrimination.
- **Certifications:** Lottomatica has obtained UNI/PdR 125:2022 Certification for Gender Equality, has been recognised as a Top Employer Italy, and has received awards for its Diversity & Inclusion initiatives.
- **D&I Governance:** Lottomatica has established a dedicated D&I Committee and appointed a D&I Manager, who are supported by five thematic working groups that develop and oversee the D&I Plan for 2024-2025.
- **Training and awareness:** the Group promotes initiatives such as "Women Empowerment" and "Unconscious Gender Bias" awareness, and courses on inclusive language and gender equality, in collaboration with organisations like Valore D and Parole O_Stili.

Special attention is also paid to the removal of architectural barriers in order to improve accessibility for employees with disabilities. The Venice office was relocated to an accessible facility, while in Rome, two evacuation sleds were purchased to ensure safety in emergency situations, with specific training provided for the floor staff.

Lottomatica **communicates its policies with clarity and transparency** through the corporate intranet and institutional website, ensuring accessibility for all stakeholders. In this regard, **multiple communication channels** are utilised, ensuring accessibility for all, including vulnerable groups. Moreover, to facilitate understanding of the published editorial content, materials are provided in multiple languages and presented through infographics, videos, and motion graphics. The MyLottomatica Intranet has also been available in English as of 2024, featuring bilingual content and subtitled videos to ensure the inclusion of international employees. The effectiveness of the diversity and inclusion policies is continuously monitored through structured procedures, periodic risk assessments, the dedicated system for reporting violations (including whistleblowing), and an enforcement framework that includes appropriate penalties. The company collects feedback from employees via surveys and the "Talk to HR" tool on the Intranet.

People Strategy

In establishing its own workforce strategy, Lottomatica has adopted an **integrated approach** that not only mitigates risks related to workforce management, but also capitalises on new opportunities for personal and professional development. It is within this context that Lottomatica's **People Strategy** arose in 2022. In fact, starting with the corporate DNA and the goal of further consolidating the sense of belonging within a single large Group, this **medium/long term programme** keeps track of the **development** pathways of both the staff and the **Organisation** in terms of **culture, tools, systems**, and **processes**, even in relation to the company's sustainable growth objectives.

The Group's People Strategy is guided by **three key priorities**:

- **Enabling:** Investing in people development, and cultivating the staff's potential and skills through dedicated learning plans, projects, and programmes.
- **Empowerment:** Promoting excellent organisational behaviour, performance, and processes through a strong leadership and responsibility model consistent with the company's DNA.
- **Engagement:** Feeding everyone's passion and energy, improving team spirit and personal well-being, so that everyone will feel more proud of their Group and the work they do every day. These drivers aren't vertical in terms of function or organisation, but rather constitute the nodes of a "network" type system that synergistically links a series of activities involving everyone who belongs to the Group.

Lottomatica has also established clear internal policies outlining **guidelines** for **workplace health and safety**, adopting **advanced risk prevention protocols** and ensuring compliance with the **highest industry standards**. Continuous training remains a fundamental pillar, with retraining programmes accessible through digital platforms and personalised learning pathways designed to meet both technical and cross-functional skill development needs. **Work-life balance**, along with the active promotion of diversity and human rights, is another central focus, ensuring equal opportunities for all employees. While these policies are designed to benefit the entire workforce, specific plans and interventions may be implemented to address the unique needs of certain groups of employees.



Management of occupational health and safety risks

As previously mentioned, the accident prevention policy is based on the thorough **assessment of workplace risks**. This assessment is conducted by the Occupational Health and Safety Manager (OHSM) for each Group company, on behalf of the Employer. It involves identifying potential hazards, evaluating the risks within the working environment, and establishing prevention and protection measures to minimise them. By way of example, these measures include the mandatory use of Personal Protective Equipment (PPE) for specific groups of employees. Another crucial aspect of accident prevention is ensuring that workers receive thorough information and **training** on the specific risks associated with their tasks, as well as on the necessary **prevention and protection measures**, with **periodic updates** provided as needed.

In addition, the OHSM is responsible for drafting and updating the Emergency and Evacuation Plan (EEP) where necessary, outlining the measures to be taken in the event of an emergency. Where an EEP is not required, emergency cards are prepared as an alternative to serve the same purpose. Finally, the OHSM and the Competent Physician conduct annual inspections at each of the Group's sites to assess workplace health conditions and determine whether any corrective actions are needed.

Workers and the environment

Lottomatica ensures transparent communication regarding any changes to its policies, providing context on strategies to mitigate risks and potential negative impacts on employees as the company transitions to more sustainable operations. In alignment with the Environmental Sustainability Policy, Lottomatica promotes **awareness initiatives** to encourage employee participation. Employee concerns regarding sustainability-related changes are also addressed through the Environmental Sustainability Committee, which promotes **retraining programmes and the creation of new job opportunities**, ensuring a fair, inclusive, and sustainable transition.

Skill development

Lottomatica places the **growth** and **development** of its personnel at centre stage through its People Strategy, with a particular focus on the People Growth and Development pillar. The company invests in continuous training, using tools such as the MyEvaluation platform to assess and develop key competencies and virtuous behaviour. The training initiatives include goFluent for language learning, HRC for soft and hard skills development, and YOUNICITY, in collaboration with Valore D, to promote diversity and inclusion. All of the courses can be accessed at any time. The training hours increased by 37% in 2024 with respect to 2023. In addition, the StepUp programme was strengthened to enhance the potential of employees through experiential training, networking, webinars and professional and language development courses.

The group keeps track of its training work: it maintains an "Attendance Log" for on-site training courses to ensure accurate monitoring of participation. The form is given to the instructor at the start of the course and collected at the end, with each participant's signature recorded. For e-learning courses, on the other hand, participation is tracked through detailed reports provided directly by the digital platform provider. All training activities conducted throughout the year, regardless of format, are documented in a structured archive called the "Training summary file." This file contains

essential details, such as the course type, participant name, course date, and course duration. This file is regularly updated and securely maintained to ensure transparency and the traceability of employees' professional development courses. As previously mentioned, the Group tracks recruitment and promotion through tools such as regular surveys, the "Talk to HR" tool, and career path reports. The impact of training on professional growth is assessed using the "Course Evaluation Form" and the "Training Effectiveness Form". Obtaining certifications such as **Top Employer Italia and UNI/PdR 125:2022** further validate the Group's commitment to transparency and employee development.

Processes for engaging with own workers and workers' representatives about impacts

Disclosure
requirement
S1-2

Lottomatica is committed to taking its workforce's perspectives into account when managing any relevant, actual and potential impacts that may affect its personnel. The company collects feedback and comments from employees and their representatives on issues that might affect their working conditions. The **perspectives of the workforce guide the business decisions**, ensuring that human resource management policies meet the **employees' needs** and any **emerging work-related challenges**, with a **focus on** any positive or negative **impacts** that could affect working conditions.

Engagement takes place both **directly** with employees, through digital tools such as people surveys, the "Talk to HR" tool, and meetings with the HR team, and **indirectly** through dialogue with employee representatives, including Workers' Safety Representatives (WSRs), with whom annual meetings are held to review occupational health and safety matters.

The Group **actively promotes employee engagement and listening through instruments that foster dialogue and participation**. The onboarding process for new hires includes several interactions involving HR, such as the Personal Onboarding Day, Coffee with HR, and Monthly Onboarding Day initiatives, as well as many others, not to mention digital tools like surveys and questionnaires to gather continuous feedback. An annual pulse survey is also administered, and exit interviews are used to collect information on the reasons why resources have chosen to leave the company. At the training level, the employees fill out evaluation forms on the quality of the courses and the effectiveness of the skills learnt. Interviews regarding work-related stress risk are also conducted, and the workers take active part in emergency drills. The company also values the contribution of its workers, using tools such as the Box of Ideas, which allows proposals to be collected via a physical box or through Yammer.

Operational responsibility for employee involvement lies with the HR department, which coordinates the various activities through its different areas. The Chief People Officer (CPO) is responsible for ensuring that workforce inclusion takes place in a structured manner, ensuring that HR policies are aligned with the corporate objectives.

Lottomatica has adopted an **inclusion and respect for human rights Policy** for all its employees, setting out **principles** and **guidelines** to foster a **fair and respectful working environment**. Although the company does not have a global framework agreement on human rights with the employee representatives, the company policy provides for structured listening mechanisms. One example of this is the Level II agreement with the workers' representatives at the Aldobrandeschi site. The effectiveness of the employee engagement is assessed through company surveys and various



listening channels, with a particular focus on improving working conditions and fostering inclusive practices. The outcomes of these initiatives are continuously monitored to measure the impact of the actions taken on the well-being of the workforce.

The Group is committed to maintaining an inclusive and accessible work environment, with special attention being paid to vulnerable groups, such as women, migrants, and people with disabilities. Lottomatica ensures that **all employees have equal access to communication and feedback channels**, valuing their perspectives and needs in order to create a fair and discrimination-free workplace. The company's Diversity & Inclusion policies and regular medical examinations contribute to monitoring and enhancing working conditions for employees with specific needs. The company actively removes barriers that could hinder employee engagement, including language, cultural, and gender-related challenges, adopting an **inclusive approach** that considers the needs of specific groups, such as people with disabilities, parents, and caregivers. The communication channels are designed to be easily accessible, ensuring that all employees can actively participate and provide feedback.

Disclosure requirement S1-3

Processes for engaging about negative impacts and channels for own workers to raise concerns

Lottomatica has established structured processes to prevent and address negative impacts on its workforce. Through its **integrated governance and control system**, the company conducts **periodic assessments to identify and evaluate internal and external risks**, in order to identify any concerns relating to the employees' rights. In response to incidents that could negatively affect employees, Lottomatica follows a structured procedure that includes identifying the issue, analysing its root causes, and taking corrective measures. The Group—as previously mentioned—has also implemented a confidential **reporting system** for both its employees and external stakeholders, ensuring prompt and secure processing of any concerns reported. An internal **disciplinary system** ensures that any non-compliant behaviour or issues are promptly addressed and rectified.

In addition, the Group continuously monitors the effectiveness of the corrective measures taken, through internal audits, company surveys, and direct discussions with employees.

In order to strengthen direct communication between the company and its workforce, Lottomatica has established **multiple reporting and engagement channels**, including:

- the **Whistleblowing** procedure, accessible to employees, collaborators, business partners, and third parties, allowing confidential reports to be submitted via the EthicsPoint platform or a 24/7 telephone service;
- the **People Survey**, conducted by the HR team to monitor key indicators such as credibility, respect, fairness, cohesion, and corporate pride;
- the **Talk to HR** system, a digital feature on the company intranet that allows employees to submit confidential requests to the HR team;
- **Exit Interviews**, conducted to gather feedback from departing employees in order to improve engagement and business processes;
- **Dedicated health and safety channels**, including specific email addresses for contacting the company physician or the occupational health and safety department.

The company has implemented a formal system for receiving, analysing, and managing concerns, reports and complaints. In particular, Lottomatica, ensures the maximum **guarantee of confidentiality** and, if requested by the reporter, anonymity and has chosen as channels for sending reports a digital platform 'EthicsPoint Platform' and a dedicated telephone channel, available 24 hours a day. In addition to the whistleblowing system, other internal communication tools are actively promoted to ensure that every employee has access to appropriate channels for expressing concerns or reporting violations.

Lottomatica raises awareness of its reporting channels and ensures their accessibility through various internal communication tools. Information on these mechanisms is disseminated via institutional emails, the company intranet, and onboarding materials. The Whistleblowing Channel is also accessible from personal devices, allowing for flexible and remote use. Lottomatica takes proactive measures to ensure that **all reporting channels are inclusive and accessible**, overcoming any cultural or organisational barriers that might hinder their use.

All reports received undergo a **transparent handling process**, starting with a preliminary review within seven days of receipt. If deemed relevant, reports undergo investigation and resolution within three months, with feedback provided to the whistleblower. The process is managed by the Internal Risk, Ethics & Compliance and the Corporate & Legal Affairs Departments, which coordinates the audits with the relevant corporate areas. All reports deemed relevant following the preliminary investigation undergo further examination by:

- the Risk, Ethics & Compliance Department, which, in coordination with the Corporate & Legal Affairs Department, conducts an inspection, potentially involving the Departments/Areas interested and/or involved, and the reported party/whistleblower, while also informing the CEO of the Lottomatica Group and the CEOs of any companies implicated in the report;
- the Supervisory Board, for reports relevant for the purposes of Legislative Decree no. 231/01, which may proceed autonomously (as outlined in the 231 Model of the company implicated in the report) or with the support of the Internal Audit & GRC and Anti-Bribery & Corruption Department, another Department/Corporate Area, or third parties;
- in case of relevant reports for the purposes of UNI PdR 125:2022, the Chief People Officer, who may proceed either autonomously or with the support of the the Risk, Ethics & Compliance Department, another Department/Corporate Area, or third parties.

At the conclusion of the inspection, even if the report is determined to be unfounded, the Risk, Ethics & Compliance Department, along with the Corporate & Legal Affairs Department and, if necessary, the Department responsible for the investigations, prepare a report summarising the investigations conducted and the findings that emerged.

Afterwards, the Risk, Ethics & Compliance Department and the Corporate & Legal Affairs Department present the investigation results to the relevant Corporate Bodies/Departments for evaluation, enabling them to take appropriate measures. If deemed necessary, they may also:

- coordinate with the Head of the relevant Department to develop an action plan to address any identified weaknesses in the internal control system;
- collaborate with other relevant Departments on initiatives to safeguard the Group's interests (e.g. pursuing legal action).



The Whistleblowing system guarantees **employees and external parties** the ability to **report violations in a protected and anonymous manner**, reinforcing the corporate governance model. In order to ensure whistleblower protection, the Procedure states that Lottomatica Group safeguards individuals who, at the time of reporting, filing a complaint with judicial or accounting authorities, or making a public disclosure, have reasonable grounds to believe that the information they are reporting or disclosing is true and falls within the scope of this procedure. Whistleblower protection is not only guaranteed during an active legal relationship, but also in the following cases:

- before the legal relationship begins, if the information about the violations was obtained during the selection process or other pre-contractual stages;
- during the probationary period;
- after the legal relationship has ended, if the information about the violations was acquired while the relationship was active.

The protection measures also apply to:

- facilitators (natural persons who assist whistleblowers during the reporting process while operating within the same employment context, whose assistance must remain strictly confidentiality);
- individuals within the same work environment as the whistleblower or public discloser, who share a stable sentimental or familial bond with them, up to the fourth degree of kinship;
- co-workers who share the same work environment and maintain a regular and ongoing relationship with the whistleblower or public discloser;
- entities owned by the whistleblower, those employing the whistleblower, and entities operating within the same employment context as the whistleblower.

Lottomatica **constantly assesses employees' awareness** of reporting channels through communication and training initiatives. During the onboarding process, employees receive detailed information on the available channels, while awareness-raising campaigns are organised throughout the year through e-mail and content on the intranet. Awareness is also raised through e-learning courses, which include final tests to check understanding of the procedures.

The effectiveness of the reporting processes is continuously monitored through best practice analyses, internal audits, and regulatory updates.

Taking action on material impacts on value chain workers and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

Disclosure
requirement
S1-4

Lottomatica has adopted a **structured approach to managing workforce impacts**, implementing **measures aimed at preventing and mitigating any negative effects** while **promoting initiatives that generate tangible benefits** for employees. The company takes swift action to address and resolve any critical issues, ensuring ongoing evaluation and improvement of the implemented measures. The key actions undertaken, planned, and in progress, as well as the methods for monitoring and evaluating the results, are detailed below.

With regard to health, safety, and accident prevention, Lottomatica has planned a series of initiatives focused on **continuous improvement**. These include a reassessment of the prevention and protection measures, accompanied by comprehensive training, information sessions, and regular updates for employees. In addition to the legally required courses, additional training sessions will also be provided, with periodic checks established by the company physician. In the event of a workplace accident, the Occupational Health and Safety Manager (OHSM) promptly intervenes to determine its causes and establish a corrective action plan, as detailed in the section on workplace accidents. Beyond addressing incidents as they occur, the Group also continuously monitors the effectiveness of the actions taken.

With regard to inclusion, the company maintained along the path already mapped out by Diversity & Inclusion, thanks also to the activities of the five dedicated working groups, committed to promoting an inclusive culture both in terms of communication and through concrete actions.

With regard to collective bargaining and social dialogue, Lottomatica maintains a **continuous and constructive dialogue with workers' representatives**, both directly and through employers' associations, ensuring a collaborative and proactive work environment.

The **protection of personal data** is another critical focus for Lottomatica, as reflected in its planned initiatives concerning privacy and confidentiality. In order to mitigate cyber risks and prevent data loss, the Group continuously monitors and updates its policies and conducts regular tests and inspections to ensure security and compliance with the international regulations.

Monitoring and reporting actions play a vital role in ensuring the success of these initiatives. Lottomatica has established continuous monitoring mechanisms, such as company climate surveys and dedicated listening channels, to gather feedback from the workforce. Insights from this analysis inform the development of specific action plans, which may include mediation efforts or adjustments to company policies. The quantitative KPIs are reviewed monthly for Training and quarterly for Health & Safety, Welfare & Well-being, and Employment Stability, serving as the foundation for implementing targeted action plans. Lottomatica follows an integrated monitoring approach that involves internal functions, such as HRO, **Corporate Legal**, and **Internal Audit**. This approach guarantees that all of the company policies adhere to the highest standards of responsibility, ethics, and sustainability.

Lottomatica Group remains committed to implementing best practices, ensuring that all activities are carried out in such a way as to prevent or mitigate significant negative impacts on its workforce.



The Group pays particular attention to critical areas, including procurement, sales, and data management, in order to ensure the operations are consistently aligned with the highest standards of ethics and responsibility. Moreover, dedicated professionals and organisational structures manage key areas such as compensation, workplace safety, and employee well-being.

A dedicated budget is allocated to support these initiatives, ensuring the necessary resources for effective implementation, continuous improvement, and compliance with the highest standards in these areas. This integrated approach effectively addresses workforce needs, with a strong emphasis on creating a safe and equitable working environment for all employees.

In this context, the Group has developed and implemented targeted action plans designed to achieve its objectives effectively. These initiatives are strategically structured, taking the available resources, the time frames, and the potential challenges into account in order to ensure tangible results.

Human rights

- **CCNL:** the Group applies the national collective labour agreements, thus guaranteeing working conditions for its employees that are consistent with industry standards and regulations. The company also steadfastly safeguards the right to freedom of association and trade union expression, ensuring that all employees are able to freely exercise their right to organise and participate in trade union activities, without fear of restriction or intimidation.
- **Local communities:** the Group is actively engaged in social inclusion initiatives aimed at promoting the right to education and culture, with particular attention to young people.
- **Training:** the Group provides access to targeted and customised training courses through advanced e-learning platforms, including Yunicity and the Learning Square Platform. Training hours per employee have increased significantly, 8,940 in 2022, 22,241 in 2023, and 30,474 in 2024.

D&I

- **Fair-pay project:** the Group has implemented targeted measures to adjust lower salaries, ensuring employees receive fair compensation in line with industry standards.
- **Training:** the Group actively promotes the corporate culture by organising specific training programmes e.g. Gender Unconscious Bias, Women Empowerment and through the uploading of video pills on the Training Portal on D&I topics.
- **Partnerships:** the Group has forged strategic partnerships with “Valore D” and “Parole O_Stili” to strengthen the corporate culture through dedicated webinars.
- **Recruitment through the A.I.P.D. (Italian Association of People with Down Syndrome):** the Group promotes inclusion through the integration of a staff member from the A.I.P.D. within its organisation.
- **Food drive:** the Group organises periodic food drives to support charitable organisations, contributing to the fight against hunger, marginalisation, and poverty.
- **Partnership with Rosso for blood donation:** Lottomatica Group is committed to alleviating the blood shortage crisis through its partnership with Rosso.

Gender equality

- **Gender pay gap:** the company has introduced measures aimed at progressively closing the gender pay gap, with the goal of achieving full gender equality by 2030.
- **Women in management:** targeted personnel selection strategies are in place to increase the representation of women in managerial roles.

Adoption of smart working

- The Group allows employees to work remotely for up to two days per week, with possible exceptions granted based on company policy. In 2024, 92% of employees benefited from smart working, fostering a better work-life balance.



Main actions	Field of application	Time horizons
Human Rights – National Collective Labour Agreements (CCNL)	All Lottomatica Group employees in countries where collective bargaining is in place	Every new hire
Human Rights – Local Communities	-	The initiatives are carefully selected during the drafting of the sustainability plan
Human Rights - Training	Lottomatica Group	Each year
D&I -Fair-pay project	The initiative impacted 7% of the Group's workforce	Each year
D&I Trainings	-	Each year
D&I Partnerships	-	Each year
D&I Recruitment with A.I.P.D. (Italian Association of People with Down Syndrome)	1 resource	2024
D&I -Food drives	The 2024 edition of the food drive campaign was conducted at 12 company locations across 6 Italian regions. This initiative potentially engaged 1,696 employees and resulted in the collection of 1,347.95 kg of food, which was distributed to local charitable organisations	Each year
D&I -Partnership with Rosso for blood donation	2 events were organised within the company in 2024, with around 50 employees participating as blood donors	Each year
Gender equality -Gender pay gap	Lottomatica Group	Each year
Gender equality -Women in management	Lottomatica Group	Each year
Adoption of smart working	in Lottomatica Group where the job role allows	Each year
Maintenance of 45001 Certification	Lottomatica Group, Gamenet, GBO, LVR, Betflag, PWO, and Totosi	Each year
Best HR Team	Lottomatica Group	Each year
Top Employer	Lottomatica Group	Each year
UNI/PdR 125	Lottomatica Group	Each year
ISO 26000:2020 Certification	Lottomatica Group	Each year

Action	Type of financial resources	CapEx (€)	OpEx (€)	Link with financial statement items	Future financial resources (€)
Human Rights – National Collective Labour Agreements (CCNL)	N/A	-	-	-	-
Human Rights -Local Communities	Donations	-	104,825	Other operating costs and charges -Other operating costs and charges. Costs for services -Tax, administrative, legal and financial consulting	-
Human Rights -Training	-	-	292,804.44	Tab. Costs for services -Other	355,250
D&I -Fair-pay project	-	-		N/A	-
D&I -Training	Provision of Services	-	5,328	Tax, administrative, legal, and financial consulting	42,000
D&I -Partnerships	Provision of Services	-	36,470	Tax, administrative, legal, and financial consulting	9,760
D&I -Recruitment with A.I.P.D. (Italian Association of People with Down Syndrome)	-	-	-	-	-
D&I -Food drives	-	-	-	-	-
D&I -Partnership with Rosso for blood donation	Provision of Services	-	11,102	Tax, administrative, legal, and financial consulting	12,200
Gender equality -Gender pay gap	-	-	-	-	-
Gender equality -Women in management	-	-	-	-	-
Adoption of smart working	-	-	-	-	-
Maintenance of 45001 Certification	Provision of Services	-	160,746	Tab. Costs for services -Tax, administrative, legal and financial consulting Tab. Costs for services -Other	-
Best HR Team	Provision of Services	-	650	Tab. Costs for services -Other	1,830
Top Employer	Provision of Services	-	28,670	Tab. Costs for services -Other	28,670
UNI/PdR 125	Provision of Services	-	1,220	Tab. Costs for services -Other	25,000
ISO 26000:2020 Certification	Provision of Services	-	10,187	Tab. Costs for services -Tax, administrative, legal and financial consulting Tab. Costs for services -Technical assistance and network management services	30,000

The following actions are planned or currently under way to leverage relevant opportunities.

In 2025, the Group will continue to support flexible working arrangements and work-life balance initiatives, building on the successes of the previous year. One new initiative involves extending a programme already implemented in Serbia to the Italian workforce as well, offering personalised gifts to employees who become new parents, aimed at supporting during the initial phases of this significant life event. This initiative not only demonstrates a commitment to employee well-being and family support, but also aligns with the company’s broader strategy of fostering an inclusive culture that’s attentive to the employees’ needs, values parenthood, and promotes a healthy work-life balance. Professional development programmes and talent enhancement initiatives, including

funded training and e-learning, remain a strategic priority for attracting and retaining a highly skilled and diverse workforce, while at the same time optimising training and turnover costs.

The key ongoing or planned initiatives include:

The StepUp Programme

A structured 16-month development initiative targeting selected employees, with progress measured through specific KPIs. The programme is divided into three main categories for its first edition: Young, Senior, and Ready. The primary objectives are:

- to cultivate and develop the participants’ potential;
- to create a distinctive leadership style in line with the Lottomatica competency model;
- to design customised pathways for professional growth and career advancement;
- to improve the retention of high-potential talent.

Women at the Top Programme

An initiative dedicated to developing female talent, targeting female managers already holding leadership roles. This funded programme aims to enhance the participants’ organisational effectiveness, and empower them to make a more significant impact in their professional spheres, fostering an inclusive and inspiring leadership example.

Individual coaching courses

Lottomatica has developed specific coaching courses for key figures within the organisation. These courses are designed to bridge the skill gaps identified through assessments and feedback to develop and strengthen essential leadership qualities, including change management. Some of these initiatives have been funded, with more planned for 2025.

The Team Coaching Course for Jolly Group

Lottomatica launched a course designed for a team made up of individuals from previously independent companies, the primary goal of the course was to build a cohesive and collaborative team. To facilitate post-acquisition integration. Led by an expert coach, the project used individual and group coaching sessions to enhance team cohesion and maximise performance.



Sustainability Mentorship

Lottomatica launched an innovative initiative focusing on sustainability issues, guiding an internal Mentee through a journey of growth led by Mentors. This project aims to:

- stimulate sustainability awareness, and foster inspiration and innovation;
- promote leadership focused on “Give Back”, creating a positive impact both within the organisation and in the broader community;
- foster a collaborative, inter-company environment that supports holistic sustainable development.

Starting New Executives

Lottomatica has provided funded training through CFMT, specifically designed for newly appointed executives. This programme aims to:

- help participants adapt to their new roles;
- strengthening critical strategic skills, such as employee motivation, change adaptability, quick decision-making, and a long-term strategic vision.

Training courses for newly appointed Middle Managers

Lottomatica developed a programme designed specifically for newly appointed Middle Managers that focuses on developing managerial skills, with an emphasis on:

- horizontal and mid-level competencies, aligned with Lottomatica's three-level model (Foundational, Strategic, and Competitive/Advanced);
- the ability to perform effectively in one’s role and to handle the relative responsibilities.

Cyberguru

Lottomatica launched an online platform available to all employees, providing comprehensive training on cybersecurity issues. The programme includes.

- training modules that raise awareness of cyber risks and enhance both personal and professional-organisational;
- flexible access to content and the possibility of tracking participants’ progress through evaluation tests at the end of each module.



Training

Lottomatica has expanded its training offering to include a variety of courses, such as women’s empowerment, sustainability, and inclusive leadership. In particular, the ESG programme was introduced to increase staff awareness of environmental, social, and governance issues, encouraging widespread participation.

Privacy and confidentiality

Lottomatica Group has implemented stringent measures to prevent and mitigate IT risks, as well as any loss of personal data or unauthorised access. These measures undergo constant monitoring and updating, in line with national and international best practices. Annual tests and assessments (including penetration tests, vulnerability assessments, IT infrastructure evaluations, and data protection policy reviews) are conducted to ensure the effectiveness of these measures against potential risks.

The Group’s compliance framework and policies on privacy and personal data processing are continuously updated to meet stakeholder expectations, consumer needs, and evolving EU regulations on technology, data, and innovation. This commitment is demonstrated by the achievement of ISO 27701:2019 certification for personal data management and protection by two Group companies, GBO Italy S.p.A. and Gamenet S.p.A..

GRO WPMP

Launched in Serbia, this course is designed to help senior managers effectively communicate difficult or unpopular decisions. It aims to strengthen management skills, ensure the development of key competencies needed for business leadership, and support individual career growth.

Training programme on ESG (Environmental, Social, Governance) topics

Lottomatica launched a training programme to raise its employees’ awareness of sustainability issues, consisting of 7 webinars and concise training modules. By offering content in both synchronous and asynchronous formats, the programme ensures broad accessibility and encourages widespread participation.

Customised training courses

Customised training sessions, identified through the MyEvaluation process, were also offered in 2024 to address specific gaps or enhance knowledge of certain topics/tools, such as soft skills, technical skills, administrative specialisations, and language proficiency.

Job stability – Fair Pay

In keeping with 2023, the Fair Pay project was implemented again in 2024 to guarantee all Lottomatica employees a minimum pay threshold. This initiative was prompted by the rising cost of living in recent years and the inadequacy of gross per capita disposable income to ensure a decent standard of living. In response, an initiative was introduced to ensure that remuneration remains aligned with economic trends, regardless of individual job performance.

Welfare & well-being

In 2024, the welfare plan was expanded with the introduction of “LianeCare”, a support platform designed to help employees achieve a better work-life balance. The platform places particular emphasis on post-maternity reintegration, family caregiving support, and psycho-educational courses.

World Health and Safety Day

Lottomatica Group is planning an information session on accident prevention on World Health and Safety Day in 2025.

Metrics and targets

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Disclosure
requirement
S1-5

Through specific actions to reduce the gender pay gap annually, the Group **aims to reduce the gender pay gap to zero by 2030**. Starting from a base value of -6.90% in 2022, the gap was reduced to -5% in 2023, excluding the management team. In 2024, the Group maintained its calculation methodology based on the relative position classes to measure the gender pay gap.

This approach, aligned with the **Mercer IPE international assessment system**, assigns different weights to different organisational roles based on qualitative and quantitative criteria. To ensure meaningful and consistent data analysis, Lottomatica has established groupings of homogeneous bands based on role and organisational weight. The **gender pay gap** is then calculated using these Bands and the Market Reference. Based on this approach, the gender pay gap is equal to **3.5%**.



Disclosure
requirement
S1-6

Characteristics of the undertaking’s employees

The following section provides details on the **composition of the company’s workforce**, including the total number of employees broken down by gender. It also specifies different types of employment contracts, distinguishing between permanent, fixed-term, and variable-hour employees, with the data further segmented by gender.

2024						
Employee type	u.m.	Women	Men	Other	Not disclosed	Total
Permanent employees		830	1,610	0	0	2,440
Fixed-term employees	No.	109	117	0	0	226
Variable-schedule employees		1	0	0	0	1
Total employees	No.	940	1,727	0	0	2,667

2024						
Employee type	u.m.	Women	Men	Other	Not disclosed	Total
Full-time employees		819	1,675	0	0	2,494
Part-time employees	No.	121	52	0	0	173
Total employees	No.	940	1,727	0	0	2,667

Employee type	u.m.	2024
Number of employees		2,667
Number of terminated employees	No.	382
Employee turnover rate ³⁴	%	14.32

The FTE (Full-Time Equivalent) is calculated by adjusting the working hours for part-time employees (for example: 1 employee is considered FTE 0.5 if they have a part-time contract with working hours equivalent to half of the total contracted hours); furthermore, the data shown are the result of the consolidation of Group data at the end of the reference period (31/12/2024).

Disclosure
requirement
S1-7

Characteristics of non-employee workers in the undertaking’s own workforce

The information regarding the total number of non-employees within the company’s workforce is provided below. The data shown correspond to the end of the reference period (31/12/2024) and include both self-employed individuals with direct contracts for the supply of labour and workers provided by staffing agencies specialising in recruitment and personnel placement.

Characteristics of non-employees	u.m.	2024
Self-employed workers non-employees		20
Workers provided by enterprises engaged in recruitment, selection, and personnel provision	No.	2
Total number of non-employees		22

34) The calculation of the turnover rate considers not only employees who left the workplace voluntarily, but also those who left due to dismissal, retirement and death.

Disclosure
requirement
S1-8

Collective bargaining coverage and social dialogue

Lottomatica actively monitors and communicates information on collective bargaining coverage and social dialogue, both of which are essential to ensuring fair and transparent working conditions. Specific data are provided on the percentage of employees covered by collective agreements and the proportion of employees represented by trade unions. These insights offer a clear view of employee participation in negotiation and social dialogue processes, fostering a more inclusive and engaged work environment.

The information regarding the **contractual coverage** of the company’s employees in social dialogue within the company is provided below. In particular, the figures include the percentage of the workforce subject to collective agreements, offering a comprehensive overview of their prevalence within the organisation, and the total number of employees represented by trade unions.

Collective bargaining and social dialogue	u.m.	2024
Number of employees covered by collective bargaining agreements		2,253
Number of employees covered by trade unions	No.	2,193
Number of employees		2,667
Percentage of employees covered by collective agreements		84.48
Social dialogue coverage	%	82.23

There are no agreements in place for representation by a European Works Council (EWC), a European Company (SE) Works Council, or a European Cooperative Society (SCE) Works Council.

Coverage rate	Collective bargaining coverage		Social dialogue
	Employees – EEA (for countries with > 50 emp. representing > 10% of total employees)	Employees - non-EEA (estimated for regions with > 50 emp. representing > 10% of total employees)	Workplace representation (EEA only) (for countries with > 50 emp. representing > 10% of total employees)
0-19%	-	Serbia	-
20-39%	-	-	-
40-59%	-	-	-
60-79%	-	-	-
80-100%	Italy	-	Italy



Disclosure
requirement
S1-9

Diversity metrics

Lottomatica, aware of the importance of diversity as a distinctive factor for growth, has adopted a Diversity Policy and specific programs focused on enhancing diversity, first and foremost gender diversity, reinforcing the responsibilities of management and the monitoring of company performance in this area. In this regard, the Group monitors the composition of its workforce, paying particular attention to **gender diversity in senior management** and the **age distribution of employees**. With regard to the first metric, the company reports both the number and percentage of men and women in leadership positions, providing an overview of the degree of gender parity in senior functions. Specifically, by senior management the Group considered the Chief Executive Officer and his direct reports (first and second level). With reference to the distribution of employees by age bracket, on the other hand, Lottomatica divides its employees into three main groups in order to monitor the intergenerational balance present within the Group, also with a view to enhancing consolidated experience and skills as well as innovation and new perspectives brought by the younger generations.

Senior management gender diversity	u.m.	2024
Senior management employees		13
Of which women		5
Of which men	No.	8
Of which other		0
Of which not disclosed		0
Percentage of women in senior management		38.46
Percentage of men in senior management	%	61.54

Distribution of employees by age group	u.m.	2024			Total
		< 30 years	30-50 years	> 50 years	
Managers	No.	0	29	30	59
Middle Managers		2	144	83	229
White collar workers		236	1,405	345	1,986
Blue collar workers		81	216	96	393
Total employees		319	1,794	554	2,667
Managers	%	0	1.09	1.12	2.21
Middle Managers		0.07	5.40	3.11	8.59
White collar workers		8.85	52.68	12.94	74.47
Blue collar workers		3.04	8.10	3.60	14.74
Total employees		11.96	67.27	20.77	100.00

Disclosure
requirement
S1-10

Fair remuneration

All Group's employees receive an adequate salary, in line with the applicable reference parameters, namely the minimum wage levels defined by the National Collective Bargaining Agreements (CCNL). It should be noted that Lottomatica adopts several CCNLs with specific minimum wage levels, and guarantees that all its employees receive a salary higher than the minimum set by the reference CCNL for their position. Specifically, the appropriate salary is €19,580, which corresponds

to the average minimum wage of the CCNLs adopted by the Group. The lowest wage, on the other hand, which still respects the contractual minimum, is €16,171.

Wages	u.m.	2024
Lowest wage	€	16,171
Adjusted wage ³⁵		19,580
Ratio		0.83

Social protection

Lottomatica aims to provide support to its employees during some of the most important moments in their private lives, and therefore all **employees are covered by social protection against loss of income** due to illness, unemployment, occupational injury and acquired disability, parental leave and retirement.

Disclosure
requirement
S1-11

Persons with disabilities

The Group recognises **equal opportunities for all its people** regardless of sensory, cognitive or motor disabilities, committing itself to creating accessible workplaces and implementing concrete measures aimed at promoting the integration and inclusion of people with disabilities, making the most of their talents and skills, thus contributing to the removal of cultural, sensory and physical barriers.

Disclosure
requirement
S1-12

Persons with disabilities	u.m.	2024
Number of employees with disabilities		92
Of which women	No.	48
Of which men		44
Of which other		0
Of which not disclosed		0
Percentage of employees with disabilities		3.45
Of which women	%	1.80
Of which men		1.65
Of which other		0
Of which not disclosed		0

Training and skills development metrics

Professional development is a crucial aspect of the Group's competitiveness, essential not only for attracting and retaining top talent, but also for fostering skill development and structured career growth. In this regard, the Group has adopted **periodic review systems** considering both employees who have participated in the performance review process and employees whose remuneration is subject to an individual objective assessment.

Disclosure
requirement
S1-13

35) The adjusted wage was calculated as the average of the contractual minimums in the company.

Periodic reviews of employee performance and career development by gender	2024					
	u.m.	Women	Men	Other	Not disclosed	Total
Employees who participated in the periodic reviews	No.	646	1,299	0	0	1,945
Periodic reviews		1	1	1	1	4
Employees		940	1,727	0	0	2,667
Periodic reviews conducted per employee		0	0	0	0	0
Employees who participated in the periodic reviews	%	68.72	75.22	0	0	72.93

		2024				
Periodic reviews of employee performance and career development by category	u.m.	Managers	Middle Managers	White collar workers	Blue collar workers	Total
Employees who participated in the periodic reviews	No.	59	189	1,544	153	1,945
Performance reviews		1	1	1	1	4
Total employees		59	229	1,986	393	2,667
Periodic reviews conducted per employee		0.02	0	0	0	0
Employees who participated in the periodic reviews	%	100	82.53	77.74	38.93	72.93

Periodic reviews of the performance and career development of non-employees		u.m.	Non-employee workers
Number of non-employees who participated in the reviews			2
Number of performance reviews	No.		1
Total non-employee workers			22
Percentage of non-employees who participated in the reviews		%	9.09

Moreover, Lottomatica considers people **training** and the **development of highly qualified and specialised profiles important strategic keys to success** and invests decisively and constantly on these aspects, supporting employees in their personal and professional growth. Specifically, in 2024 a total of 30,474 hours of training were provided, with an average of 11.43 hours per employee, highlighting the Group's commitment to guaranteeing opportunities for the development and improvement of skills equally among employees.

		2024	
Employees training hours	u.m.	Training hours	Average training hours
Women	No.	14,154.62	15.06
Men		16,319.70	9.45
Other		0.00	0.00
Not disclosed		0.00	0.00
Total		30,474.32	11.43

Health and safety metrics

Lottomatica is committed to creating a safe working environment, guaranteeing the adoption of all prevention and protection measures necessary to avoid, or at least reduce to a minimum, any risk to health or physical safety and optimizing working conditions through the choice of suitable equipment and appropriate working methods. The Group is aware that the **protection of health and safety** requires not only adequate training and the presence of appropriate tools and devices in the workplace, but also the adoption of an appropriate management system aimed at improving prevention policies and effectively combating accidents and occupational diseases. With this in mind, during 2024 internal audits and third-party audits were carried out with reference to the Occupational Health and Safety Management System in order to maintain ISO 45001 for the 3 Group companies already certified and to obtain certification for 4 new companies.

		2024		
Health and safety	u.m.	Employees	Non-employees	Total
Workers covered by the health and safety management system, as required by law and/or recognised standards or guidelines		100	100	100
Workers covered by the health and safety management system according to legal requirements and/or recognised standards or guidelines and which has been object of internal audit and/or audit or certification by an external party ³⁶	%	47,32	N.D.	47,32
Deaths due to work-related injuries and illnesses		0	0	0
Recordable workplace accidents	No.	15	0	15
Hours worked		3,409,127.26	27,413.14	3,436,540.40
Rate of recordable workplace accidents	%	4.40	0.00	4.36
Cases of work-related illnesses detected during the reporting period among those who were formerly part of the workforce		0	0	0
Cases involving recordable work-related diseases	No.	0	0	0
Days lost due to work-related injuries and deaths		0	0	0

Work-life balance metrics

All Group employees are entitled to family leave.

		2024				
Family leave	u.m.	Women	Men	Other	Not disclosed	Total
Number of employees entitled to family leave	No.	940	1,727	0	0	2,667
Number of eligible employees who took family leave		99	125	0	0	224
Percentage of employees entitled to family leave	%	100	100	0	0	100
Percentage of eligible employees who took family leave		10.5	7.2	0	0	8.4

Disclosure requirement S1-14

Disclosure requirement S1-15

36) This percentage refers only to employees of ISO 45001 certified companies.



Disclosure
requirement
S1-16

Remuneration metrics (pay gap and total remuneration)

The gender pay gap is determined by the Group on the basis of the average gross hourly remuneration for male and female employees, according to the methodology defined by the standard.³⁷

	u.m.	Average gross hourly remuneration
Gender pay gap	%	13
	u.m.	Complementary or variable components
Ratio of the total annual remuneration of the highest-paid individual to the median total annual remuneration of all other employees	-	60.04

Moreover, also in 2024, the Group maintained its calculation methodology based on position classes to measure the gender pay gap. This approach, aligned with the Mercer IPE international assessment system, assigns different weights to different organisational roles based on qualitative and quantitative criteria. To ensure meaningful and consistent data analysis, Lottomatica has established groupings of homogeneous bands based on role and organisational weight. The gender pay gap is then calculated using these Bands and the Market Reference. Based on this approach, the gender pay gap was equal to 3.5% at 31/12/2024. The wages of employees in countries other than Italy were multiplied by the ratio of the purchasing power index in Italy (62.8) to the purchasing power index in the reference country (Serbia 39.57; Malta 58.29; Austria 84.43).³⁸

Disclosure
requirement
S1-17

Identified cases of severe human rights issues, incidents, and impacts

During the reporting period, **there were no incidents of discrimination**³⁹ and **serious human rights incidents**,⁴⁰ nor were there any complaints through ad hoc channels and national contact points, and therefore no fines, sanctions and compensation resulting from incidents and complaints in these areas.

3.2 Workers in the value chain [ESRS S2]

Lottomatica Group views the **protection** and **empowerment** of workers throughout the value chain as a strategic priority for creating sustainable value, and remains committed to ensuring **fair, safe, and inclusive working conditions**. The Group actively promotes the well-being of its employees and collaborators, fostering positive behaviours throughout the value chain and supporting personal and professional growth for all stakeholders involved. Below is a list of IROs identified as material from the double materiality analysis, which the Group is committed to managing through

37)As indicated by ESRS S1, the gender pay gap is calculated as follows: (average gross hourly earnings of male employees – average gross hourly earnings of female employees) / average gross hourly earnings of male employees x 100. In order to calculate the pay gap, all the employees' total remuneration were taken into consideration, including the CEO and key management personnel. In addition, Lottomatica calculates the ratio of the CEO's total remuneration to the median annual total remuneration of all employees.
38) Sources: Eurostat, Cost of Living, Ranking by Country 21/12/2024.
39) It is specified that the following forms of discrimination, among others, were considered: gender, race or ethnic origin, age, sexual orientation, harassment.
40) It is specified that the following cases were considered: non-compliance with the UN Guiding Principles on Business and Human Rights; non-compliance with the ILO Declaration on Fundamental Principles and Rights at Work; non-compliance with the OECD Guidelines for Multinational Enterprises.

targeted policies and concrete actions. These efforts aim to protect workers' rights, ensure a safe and inclusive working environment, and promote skills development, thereby contributing to a fair and sustainable professional ecosystem.

ESRS S2 – WORKERS IN THE VALUE CHAIN					
ESRS (SUB-TOPIC)	IRO	DESCRIPTION	POSITIVE / NEGATIVE ACTUAL / POTENTIAL	TIME HORIZON	VALUE CHAIN
Working conditions	I	Heightened awareness of occupational health and safety issues among workers in the value chain	Positive Potential	Medium term Long term	Upstream Downstream
	I	Accidents at the workplace of suppliers, logistics sites, and points of sale	Negative Actual	Short term Medium term Long term	Upstream Downstream
Equal treatment and opportunities for all	I	Expansion and updating of the skills of the workers in the production chain	Positive Potential	Medium term Long term	Upstream Downstream
Other work-related rights	I	Human rights violations along the value chain	Negative Potential	Medium term Long term	Upstream Downstream
	I	Cyber attacks and/or information theft along the value chain	Negative Potential	Medium term Long term	Upstream Downstream

Strategy

Material impacts, risks and opportunities and their interaction with the strategy and business model

Disclosure
requirement related
to ESRS 2 SBM-3

Lottomatica Group's ESRS 2 disclosure includes all employees in the value chain who may be materially impacted by the various Group companies, including those directly connected to its operations and value chain through products, services, or business relationships. In particular, the main types of workers included in the analysis are: workers who work at the company's premises but are not part of the company's own workforce; workers who work for entities in the upstream and downstream value chain.

Moreover, based on the analyses conducted, the **Group has not identified any geographical area or product associated with a significant risk of child, forced, or compulsory labour** in the value chain, and no negative impacts have been observed as a result of the transition to greener operations. Finally, Lottomatica Group's commitment to generating positive business impacts extends to companies and workers in the value chain through skill development and health and safety training.



Management of impacts, risks and opportunities

Disclosure
requirement
S2-1

Policies related to value chain workers

The Group is highly committed to the protection of human rights and workers in the value chain, and has adopted **several policies**⁴¹ in this area, including a Code of Ethics and Code of Supplier Conduct, all of which are available on the company website in order to ensure their broadest possible dissemination.

With regard to the Group's **human rights commitments**, these are outlined in the Code of Ethics, the Corporate policy for the protection and preservation of human rights, and the Supplier Code of Conduct. These documents describe the approach adopted by the Group to ensure the protection of the human and labour rights of the individuals within its value chain, including its own workers, suppliers and partners, with explicit reference being made to forced and child labour. Lottomatica also strives to maintain **relationships open to collaboration and dialogue** with the players in its own value chain. With regard to the Group's suppliers, for example, the evaluation process adopted by the Group in 2024 provides for a specific feedback and discussion phase with the subjects being evaluated, in order to share plans for possible future improvements. Moreover, Lottomatica strives to maintain **transparent relationships based on dialogue** with its network of business partners and points of sale throughout the country, with the aim of sharing knowledge, intercepting consumers' needs, and always guaranteeing their maximum protection and safety. Finally, the Group takes concrete measures to prevent and remedy human rights impacts through an integrated governance and control system, which includes the implementation of procedures for the periodic identification and assessment of risks both inside and outside the Group, in order to proactively identify any critical issues. In the event of violations, the Company provides a dedicated reporting system, which is also accessible to all workers employed by entities that provide goods or services or carry out works for Group companies.

During 2024, there were no reported cases of workers within the value chain failing to comply with international principles, standards or guidelines, including those issued by the United Nations, the International Labour Organisation (ILO), and the OECD.

Disclosure
requirement
S2-2

Processes for engaging with value chain workers about impacts

Lottomatica Group takes into account the perspectives of the actors in its value chain when managing material impacts that affect it. Resources that collaborate by working for entities that provide goods or services or carry out works for Group companies are among the recipients of the reporting procedure. For the purposes of the annual assessment of the Group's impacts, the **main players in Lottomatica Group's value chain were engaged**. In particular, as part of the 2024 double relevance analysis, an interactive questionnaire was administered to **representatives of about 40 companies** (including providers of hardware and software technology solutions, and logistics, maintenance, horeca, and utility companies), and **about 300 points of sale**, giving them the opportunity to assess a series of ESG impacts related to Lottomatica Group's activities, some of which explicitly referred to the value chain. For the purposes of assessing the Group's impacts for 2024, responsibility for engagement was assigned to the Corporate Sustainability function, with the

41) For more details on the policies adopted by the Group in the area of workers in the value chain, please refer to the section "Summary of Policies" in the chapter "General Information".

support of the corporate functions that interact most directly with the upstream and downstream stakeholders in the value chain. Although it does not have any global framework agreements, Policy for the protection and preservation of human rights adopted by Lottomatica also expressly applies to all subjects in the Group's value chain. Moreover, the promotion of human rights is expressly referred to in the Code of Ethics and the Supplier Code of Conduct, which all companies and partners having business relations with Lottomatica Group are required to accept. Finally, in 2024 Lottomatica adopted a "Vendor rating" procedure, with the aim of regulating the process of evaluating its suppliers and monitoring their technical, organisational and managerial capacities, as well as their adherence to the Group's expectations in terms of quality standards, reliability and performance. The suppliers evaluated receive specific feedback regarding their own performance and possible improvement plans and, in the spirit of cooperation and dialogue, are given the opportunity to provide their own views and observations.

The measures adopted to gain a better understanding of the workers' views, particularly in relation to violations and wrongdoing, include **dedicated reporting channels**, which are laid out in the procedure for the management of whistleblower reports. It should be noted that, although Lottomatica did not adopt a specific general process to engage with workers in the value chain, it nevertheless collected and disclosed the required information.

Processes for engaging about negative impacts and channels for value chain workers to raise concerns

Disclosure
requirement
S2-3

Whenever it becomes aware of significant negative impacts on workers in the value chain, Lottomatica Group follows a procedure that provides for the timely identification of the problem, the analysis of its possible causes, and the adoption of the necessary corrective measures. In keeping with the contents of the 231 Model, and in compliance with the regulatory provisions, Lottomatica Group has established a system for the management of whistleblower reports, governed by a specific procedure, whose recipients also include providers of goods and services, and those who perform works for Group companies. Published on the corporate website, and applicable to all Group companies, this procedure encourages the parties involved to promptly report, in good faith and based on reasonable facts, any potential violations of, or conduct or practices that are not compliant with, the laws applicable to the Group and/or the indications contained in the Code of Ethics, the 231 Model, and/or the applicable internal procedures and guidelines.⁴²

Lottomatica Group also promotes communication and educational activities directed towards its human resources to ensure the broadest possible knowledge and most effective application of the procedure for the management of whistleblower reports and the relative reporting channels. It does so by illustrating the rules on whistleblowing, the functioning of and access to the channels and tools made available for submitting reports, and the disciplinary system in place to handle any violations.

The existence of a procedure and dedicated channels for submitting reports is also made explicit in the Supplier Code of Conduct, which all companies and partners having business relations with Lottomatica Group are required to accept, undertaking to ensure that their employees, representatives and subcontractors fully understand and comply with the Code of Conduct.

42) For more details on the whistleblowing system, please refer to the section "Channels for own workers and workers' representatives to raise concerns" - ESRs S1 S1-3 reporting obligation' in the chapter 'Own workforce [ESRS S1]'.



Disclosure
requirement
S2-4

Taking action on material impacts on value chain workers and approaches to mitigating material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

In order to increase the positive effects that can be generated by broadening and updating the skills of workers in the production chain, in 2024 the Group continued with several **initiatives focused on training**, with particular regard to responsible gaming, which include courses on responsible gaming, whose participation rate by the sales network is periodically monitored. Other initiatives include legislative and regulatory updates and provisions against money laundering, for which participation is an explicit contractual obligation.

- **Training for betting outlets and indirectly operated VLT gaming halls:** in 2023, in collaboration with the “Integrated Psychiatric Centre for Research, Treatment and Prevention of Addictions” (CePID), which arose from the partnership between Agostino Gemelli University Polyclinic Foundation IRCCS and the Lottomatica Foundation, the Group launched a structured training and awareness programme on responsible gaming for its betting network, its directly managed network, and its indirectly operated VLT sales network. In 2024, this training continued, particularly targeting new points of sale, and was included in the contractual commitments. In 2023, the programme involved more than 80% of the indirectly operated and betting halls, in addition to 100% of the directly operated gaming halls. In 2024, the training reached 100% of the direct network, covering 70% of new openings on the betting network and among indirectly operated VLT gaming halls.
- **Responsible gaming section on websites for Betting and Gaming machine managers:** in 2024, the Group created a specific section dedicated to responsible gaming on the websites for betting and gaming machine network operators and retailers, with training, information and regulatory material to be downloaded and made available at the points of sale.

Main actions	Field of application	Time horizons
Training for betting outlets and indirectly operated VLT gaming halls	Indirectly operated network, betting network and directly operated network	Each year
Responsible gaming section on websites for Betting and gaming machine managers	Indirectly operated network and betting network	2024

Action	Type of financial resources	CapEx (€)	OpEx (€)	Link with financial statement items	Future financial resources (€)
Training for betting outlets and indirectly operated VLT gaming halls	Provision of Services	-	3,050	Costs for services-other	3,050
Responsible gaming section on websites for Betting and gaming machine managers	Internal development	n/a	n/a	n/a	n/a

With regard to the negative impacts generated throughout the value chain's workforce, the Group has taken the following **measures**:

- with regard to the impact of the “Violation of human rights along the value chain”, and with particular reference to child and forced labour, in addition to the commitment expressed in the aforementioned Code of Ethics and Policy for the protection and preservation of human rights, in 2022 the Group adopted a specific Supplier Code of Conduct, which prohibits all companies doing business with Lottomatica Group from relying on child or forced labour, and commits them to opposing any form of discrimination and to guaranteeing fair and favourable working conditions;
- with regard to the impact of “Cyber attacks and/or theft of information along the value chain”, the commercial contracts entered into by the Group include specific confidentiality obligations and security measures to ensure the protection of the individuals, information systems and/or operational processes used for the processing of personal data. These obligations are reinforced by the provisions of the aforementioned Supplier Code of Conduct, which, in addition to requiring suppliers to ensure the protection of all sensitive information, also requires them to adopt appropriate security systems and mechanisms for all information subject to electronic transfer, and to notify Lottomatica of any data breaches, whether presumed or real;
- with regard to the impact of “Accidents at the workplace of suppliers, logistics sites and points of sale,” the aforementioned Supplier Code of Conduct includes specific commitments to protect the health and safety of workers. Suppliers must ensure safe, suitable and hygienic working facilities and resources for their employees, adopt effective health, safety prevention and remediation policies and procedures, and provide their employees, suppliers and subcontractors with the protective equipment and training necessary to carry out their duties in complete safety.

About the positive impact of “Heightened awareness of occupational health and safety issues among workers in the value chain,” the aforementioned Supplier Code of Conduct provides for specific commitments, which include providing employees, suppliers and subcontractors with the protective equipment and training necessary to carry out their duties in complete safety.

Whenever it becomes aware of significant negative impacts on workers in the value chain, Lottomatica Group follows a procedure that provides for the timely identification of the problem, the analysis of its possible causes, and the adoption of the necessary corrective measures. No serious human rights issues or incidents related to its upstream and downstream value chain were brought to the Group's attention in 2024. It should also be noted that the double materiality analysis carried out in 2024 did not identify any relevant risks and/or opportunities for the Company with regard to workers in the value chain.

In addition to constantly maintaining transparent and dialogue-based relations with its partners and suppliers, the Group also diligently updates its Code of Conduct and the requirements contained in its contracts and commercial agreements, and intervenes to reinforce specific obligations or introduce new commitments wherever necessary, as was the case, for example, with the requirement for shop managers and their employees to participate in training sessions on responsible gaming. The management of issues concerning the value chain and the people who are part of it is broken down by competence among several functions and departments, which, for example, include the Procurement & Shared Services structure with regard to the management of the company's supplier list and procurement process, and the specific business structures for the management of relations with the sales network of business partners and points of sale throughout the country.



Metrics and targets

Disclosure
requirement
S2-5

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The Group is committed to preventing the violation of workers’ rights and human rights along the entire value chain, and, to this end, in addition to having implemented the training and information activities described in the preceding paragraphs, it has also adopted procedures for the periodic identification and assessment of risks both inside and outside the Group, a system for reporting violations, a disciplinary system, and dialogue activities with stakeholders. In this sense, Lottomatica has not identified specific metrics and defined quantitative targets, also in light of the fact that no relevant risks and/or opportunities have been identified with regard to workers in the value chain, nor have any reports of human rights violations been brought to the Group’s attention. However, the level of awareness remains high, and the issue of workers’ rights remains a core aspect of many of Lottomatica’s policies, as described in chapters S1 and S2.

3.3 Consumers and end-users [ESRS S4]

The Group considers the **protection of consumers** and **end-users** a **strategic priority** for sustainable value creation, and continuously strives to **ensure a responsible, safe, and transparent gaming experience** while fostering positive behaviours along the value chain. Below is a list of IROs identified as material from the double materiality analysis, which the Group is committed to managing through targeted policies and concrete actions. These initiatives aim to safeguard consumer rights, uphold high standards of safety and transparency, and promote a responsible approach to entertainment.

ESRS S4 – CONSUMERS AND END USERS

ESRS (SUB-TOPIC)	IRO	DESCRIPTION	POSITIVE / NEGATIVE ACTUAL / POTENTIAL	TIME HORIZON	VALUE CHAIN
Information related impacts for consumers and/or end-users	I	Cyber attacks and/or theft of consumer information	Negative Potential	Medium term Long term	Downstream
	R	Incorrect/lack of management of logical access constraints		Short term Medium term	Own operations
	R	Untimely, incomplete and/or incorrect implementation of the established security policies and specifications		Short term	Own operations
	R	Failure to identify actions to prevent cyber attacks or theft of information and data		Short term Medium term	Own operations
	R	Inadequate establishment, implementation, review, maintenance or improvement of the Information Security Management System (ISMS) within the context of the implementation and management of information systems and services related to the legally required retention activities		Short term Medium term	Own operations
	R	Inadequate data management, in terms of: confidentiality, integrity and availability		Short term Medium term	Own operations
Personal safety of consumers and/or end users	I	Presence of cases of gambling disorder in the areas where the Group operates	Negative Actual	Short term Medium term Long term	Downstream
Social inclusion of consumers and/or end-users	R	Lack of ability to ensure the reliability and availability of ICT systems and critical computer programmes, with negative effects on operations in terms of malfunctions / disruptions / delays in IT systems, which in turn could affect the performance of the different businesses		Short term Medium term	Own operations
	R	Lack of Software Factory flows and processes, useful for aligning business objectives with the evolution of IT systems		Short term Medium term	Own operations
	R	Inadequate management of installation, replacement, maintenance, and decommissioning activities related to the technological infrastructures present at the network’s points of sale (e.g. PoS, Gaming Machines, Terminals)		Short term Medium term	Own operations
	I	Adoption of responsible business and consumer protection practices	Positive Actual	Short term Medium term Long term	Downstream
	O	The provision of a secure gaming environment and legal channels can help attract some of the gaming demand that would otherwise turn to illegal gaming, resulting in improvements in the Group’s financial performance		Short term Medium term Long term	Own operations Downstream

Strategy

Material impacts, risks and opportunities and their interaction with the strategy and business model

Disclosure
requirement related
to ESRS 2 SBM-3

Lottomatica Group’s ESRS 2 disclosure includes all consumers and/or end users who may be materially impacted by the various Group companies, including those directly connected to its operations and value chain through products, services, or business relationships. The operation and management of public games with cash winnings are strictly intended for adult individuals, in compliance with sector regulations, as the state holds exclusive authority over this matter in our Country. One of the key impacts associated with gambling activities involving cash winnings is **gambling disorder**, which was incorporated into the Essential Levels of Care (*Livelli Essenziali di Assistenza*, or LEA) in March of 2017. This classification ensures that related services provided by the National Health Service (SSN) are available to all citizens, either free of charge or with a co-payment, regardless of their place of residence. Fully aware of the risks associated with gaming activities, the Lottomatica Group companies are committed to preventing excessive gaming through a **comprehensive Responsible Gaming programme**. This initiative also enforces a **strict prohibition on minors accessing gaming services**, in full compliance with the national and European data protection regulations. To further support responsible gaming, the Group provides clear and accessible information on all available gaming products. This is achieved through dedicated sections on gaming websites and physical notice boards located in agencies and gaming halls across the country. These materials include detailed gaming regulations, information on odds, support resources for at-risk players, and awareness campaigns aimed at educating the public on gambling disorder and its associated risks. The most significant potential negative impacts of gaming operations with cash winnings primarily concern data security and privacy, as well as problem gaming and gambling disorder. To address the latter, all employees who interact directly with end users receive **specialised training** to manage such situations appropriately. This training is conducted in collaboration with leading institutions such as the Integrated Psychiatric Centre for Research, Treatment and Prevention of Addictions (CePID) at the A. Gemelli IRCCS University Hospital in Rome, and internationally recognised organisations like Gambling Therapy. The legalization of public gaming with cash winnings, through the granting of concessions to private entities, represents one of the main positive impacts of the Group’s operations. By offering a **safe and regulated** gaming environment, the Group provides consumers with a secure and controlled alternative to illegal gambling, which remains prevalent in certain regions of Italy. From a commercial perspective, the key risk lies in the potential for consumer addiction and the development of gambling disorder. The primary commercial opportunities, on the other hand, stem from the availability of legal gaming as a safer alternative to unauthorised gambling channels.

In 2024, in collaboration with the Integrated Psychiatric Centre for Research, Treatment and Prevention of Addictions (CePID) at the A. Gemelli IRCCS University Hospital in Rome, Lottomatica Group implemented a **data analysis methodology** to identify 13 Observed Behaviour Indicators (ICOs) divided in primary and secondary. These include but are not limited to: playing times, amounts wagered, and amounts withdrawn, which help to accurately identify high-intensity players within the online customer base, enabling measures to minimise their risk of excessive gaming exposure. Similarly, in establishments within the so-called direct network, Lottomatica Group has developed **proprietary software** designed to monitor gaming behaviour in gaming halls. This system operates through a monthly form, completed by the hall manager, who receives specialised training. (so-called “Sistema Gioco Intelligente”).



Management of impacts, risks and opportunities

Disclosure
requirement
S4-1

Policies related to consumers and end-users

Lottomatica Group places consumer and end-user protection at the heart of its strategy, and is committed to effectively managing the impacts, risks, and opportunities associated with the customer experience. To uphold **high standards of protection and transparency**, the Group has implemented various **policies**⁴³ and a Code of Ethics, which are available on the corporate website to ensure widespread accessibility. Consumer protection is part of Lottomatica’s broader commitment to the well-being of its employees, collaborators, and the communities in which it operates. The Group upholds and promotes human rights, personal empowerment, and diversity, aligning its approach with the Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles at Work, and the 2030 Agenda for Sustainable Development, while also adhering to the UN Global Compact. Within this context, the Group companies strictly adhere to the human rights policy, ensuring the protection of customer privacy and personal information, in full compliance with the current regulations. These principles are further reinforced by a strong commitment to **consumer protection and the promotion of a safe and responsible gaming experience**. In order to maintain a constant dialogue with its users, Lottomatica has established dedicated communication and feedback channels. In particular, for the online platform, customer satisfaction surveys are conducted periodically to enhance the range of products and services, while a dedicated contact centre is always available to provide assistance. Within the direct network, on the other hand, consumers can report issues via a dedicated email address, while the hall manager serves as the primary liaison between the company and customers, addressing their concerns.

To promote a safe and responsible gaming experience, the Group has developed a comprehensive **Responsible Gaming Programme** based on **three key principles**:

- **protection of minors**, through stringent measures preventing under-age access to gaming;
- **prevention of excessive gaming**, through training, monitoring tools, and support for problem players;
- **promotion of a responsible gaming model** centred on transparency, awareness, and comprehensive information.

This programme is integrated into all business activities and is structured into four main areas:

1. training and awareness initiatives for internal staff on responsible gaming;
2. information and support for players, including awareness campaigns on gaming-related risks;
3. preventing and mitigating the impacts of inappropriate gaming behaviour;
4. research and development efforts to enhance responsible gaming practices.

A core component of the programme is **training**, which includes mandatory courses for all employees and advanced training for staff in contact with customers to better address the needs of vulnerable consumers and implement targeted interventions. The points of sale also receive specialised training to equip them with the knowledge necessary to support their customers effectively. Finally, in order to safeguard user data and ensure a **high level of security**, the Group has implemented an **advanced technological infrastructure** that guarantees **business continuity** and stringent **information protection** measures.

43) For more details on the policies adopted by the Group concerning consumers and end users, please refer to the “Summary of Policies” section in the “General Information” chapter.

Processes for engaging with consumers and end-users about impacts

Disclosure
requirement
S4-2

Through its specific Customer Relations Management (CRM) function, active in the remote gaming channel, Lottomatica Group strives to engage with its consumers directly, in order to **collect suggestions and indications** to better guide its strategic decisions. In addition, the Group’s remote gaming companies have monitoring systems in place to measure the **use of self-limitation and self-exclusion tools** and **problem gaming propensity tests**. For physical gaming, in directly operated gaming halls, such as those within the Big Easy perimeter, the gaming hall managers and operators have a **proprietary software** at their disposal **to monitor and identify any situations at risk of problem gaming**, the **findings** of which are **shared** on a monthly basis by the Responsible Gaming Operations Committee. The Group directly engages with consumers at least every six months, through the CRM and Contact Centre. Operational responsibility for ensuring consumer engagement lies with the dedicated function, which coordinates the operational management Committee responsible for analysing the results and planning the subsequent activities within the annual plans. The Group companies also evaluate the quality of the responsible gaming actions and projects by submitting them for the external G4 and WLA certifications. When issuing certificates, the international certification Bodies also provide audit reports highlighting any areas for improvement, which the Group then implements accordingly with appropriate supplementary activity plans.

In 2025, the Group intends to further strengthen the end-consumer engagement process by carrying out additional specific surveys on responsible gaming issues, targeting its customer base (online players, and physical gaming hall managers and operators).

Processes for engaging about negative impacts and channels for consumers and end-users to raise concerns

Disclosure
requirement
S4-3

Lottomatica Group actively promotes the analysis and research of legal and responsible gaming issues, creating opportunities for in-depth investigation and discussion on the role that the legal gaming industry specifically plays with regard to ensuring public order and legality, and consumer protection. This includes **collaboration** with the Integrated Psychiatric Centre for Research, Treatment and Prevention of Addictions (**CePID**) at the A. Gemelli IRCCS University Hospital, which contributes to the analysis of the phenomenon through specific scientific activities. Lottomatica also cooperates with **leading universities and research centres** – such as Milan Polytechnic University – in order to come up with solutions to remedy, or help remedy, cases of problem or pathological gaming. Among all of its physical and online channels, Lottomatica Group also promotes the National **toll-free number for gambling-related issues** (TVNGA): this free and anonymous service is managed by the Istituto Superiore di Sanità, and is not only intended for gamblers who wish to get in touch with industry professionals to get help, but is also open to those seeking information on health services dedicated to the treatment of gaming-related problems, or services for managing socio-economic and/or legal issues related to debt. **References to the regional SERDs and ASLs** are also posted at the points of sale, so that players suffering from problem gaming reach out to the specialised centres available throughout the territory. The availability of these channels is ensured through various instruments such as: physical information campaigns, online information campaigns, DEM campaigns for online consumers, and Telegram campaigns for the betting network. These communication tools are aimed at end consumers, as well as gaming halls and points of sale, and can be accessed



anonymously. In this regard, the Group has adopted specific service levels, in accordance with the provisions of the ADM service charter contained within the license agreements, in order to guarantee the timely monitoring of the issues raised and addressed, as well as the verification of the channels' effectiveness, even through the engagement of its consumers and the international certification bodies.

Information on these channels' availability is **clearly visible** in both the physical gaming areas and on the remote channels. The company also created a new logo dedicated to Responsible Gaming in 2024 which replaced the logos previously used for the Group's various brands, and that can be found on all materials referring to the pages of the gaming sites laying out all the tools available. The gaming halls and points of sale receive regular training and information on responsible gaming issues, enabling them to assist their consumers and support them with the available tools. There is no need to put in place policies to protect people against retaliation as the communication channels related to problem and pathological gaming guarantee complete anonymity.

Disclosure
requirement
S4-4

Taking action on material impacts on consumers and end-users, approaches to mitigating material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

In order to mitigate the negative effects related to cyber-attacks and gambling disorder, increase the positive effects generated by the adoption of responsible business and consumer protection practices, and manage related risks and opportunities, in 2024 the Group pursued and launched **several initiatives focused on training, interactive self-assessment testing technologies, and obtaining certifications:**

- **The “Safe Plai” System:** Through the creation of the “Safe Plai” system for the segmentation of its online customer base, the Group is able to measure gaming behaviour and predict intensive gaming activities by online players, in compliance with GDPR requirements and in line with its policy of awareness, transparency and responsibility. The system was deployed on the Lottomatica computer systems at the end of the third quarter of 2024, and the necessary data processing and fine-tuning were initiated thereafter.
- **The Corporate Responsible Gaming Campaign:** During the course of the year, the Group conducted a corporate campaign on responsible gaming titled “Don’t Play If”, aimed at raising awareness of the risks associated with gaming addiction. The campaign was developed with the scientific collaboration of CePID, and reached all the online gaming platforms, betting rooms, and directly and indirectly operated VLT rooms, with a coverage of over 4,000 points of sale. A dedicated QR code was also placed on the campaign materials to provide easy access to the self-assessment test, in order to make it more widely known.
- **First level training of employees and the direct network:** The Group has initiated a comprehensive training and awareness-raising programme on responsible gaming for its employees, in cooperation with CePID. In particular, since December of 2024, responsible gaming has been included as a topic of in-depth study during the onboarding of new employees, and training on the subject has been added to the contractual commitments signed by both the betting network and the indirectly operated network. The first level responsible gaming training course has been accessible to 100% of the corporate population since 2023. Starting in 2023, the Group also ensured full coverage of 100% of its directly managed gaming halls, and has extended training to over 70% of the betting rooms and the indirect VLT network, continuing this initiative into 2024.

- **Second level training for employees in contact with customers:** For personnel in direct contact with customers, the Group has added specific second-level training, available via e-learning and in-person, with specific modules. In this regard, 100% of the Customer Support, Digital Operations, CRM and VipTeam took part in the training in 2024.
- **Dedicated responsible gaming section on the corporate intranet:** For 2025, Lottomatica has committed to creating a section dedicated to responsible gaming on the corporate intranet, which will be divided into four areas: training, certifications, information, and telephone support references.
- **Responsible gaming functionality on online gaming accounts:** In 2024, the Group introduced a new interactive self-assessment test on responsible gaming, and developed a dashboard that provides concise insights into gaming activity, including deposit amounts and set limits, in order to enhance players' awareness of their gaming behaviour.
- **G4 Certification (Online and Retail):** Most of the Group's online gaming platforms hold G4 (Global Gambling Guidance Group) certification, which attests to the existence and effective adoption of tools, policies and procedures aimed at ensuring the highest level of security and protection for both customers and employees. This certification was also extended to the directly managed retail network in 2024.
- **WLA Certification (Online and Retail):** Lottomatica has implemented sophisticated standards in line with the principles of responsible gaming and, through its subsidiary GBO Italy, has obtained WLA certification (first and second level), which underscores the Group's commitment to implementing security and promoting safe, legal, and conscientious gaming.
- **ISO 27001 Certification:** Lottomatica Group has adopted an Information Security Management System (ISMS) compliant with the international ISO/IEC 27001:2013 standard.
- **Milan Polytechnic University:** During the year, the Group launched a research project with the Milan Polytechnic on technological solutions to support sustainable development of business.

These actions are identified by the Responsible Gaming Operational Committee that prepares the activity plan, proposing projects based on feedback obtained from relevant stakeholders (customers, regulators, venue managers, etc.). The plan is then shared with the ESG advisory board and approved by the CEO, and is communicated to the Board of Directors. The Operational Committee also monitors and evaluates the initiatives and, meeting monthly, ensures the continuous improvement of the Responsible Gaming Programme and the achievement of the expected results. The same Committee is also in charge of monitoring and assessing the effectiveness of the actions and initiatives relating to the adoption of responsible business practices to safeguard consumers, as defined by the Responsible Marketing Policy, and identifying all new projects and initiatives aimed at ensuring the constant pursuit of responsible gaming. In carrying out Responsible Gaming activities, Lottomatica Group provides for specific intervention protocols by its sales network, as well as by contact centre operators, with actions ranging from the administration of self-assessment tests, based on the PGSI (Problem Gambling Severity Index), to the provision of tools for greater control of gaming activities (physical timers made available within the direct network of gaming halls and self-limitation tools for online gaming accounts), even including complete self-exclusion invitations for players active on the remote channel, followed by the indication of national and local contacts to receive specific assistance.

Lottomatica Group also invests annually in training its operators to ensure that they are aware of all the intervention tools available to protect and safeguard their customers. Training activities are conducted in collaboration with CePID.

Main actions	Field of application	Time horizons
"Safe Plai" System	Customer base online	2024
Corporate Responsible Gaming Campaign	Online and physical touchpoints	2024
First level training of employees and the direct network	Lottomatica Group / Direct network employees	Each year
Second level training for employees in contact with customers	Lottomatica Group employees	Each year
Dedicated responsible gaming section on the corporate intranet	Lottomatica Group employees	2024
Direct network training	Direct network	Each year
Responsible gaming functionality on online gaming accounts	Customer base online	2024
G4 Certification (Online)	GBO Italy spa	2024
G4 Certification (Retail)	Big Easy S.p.A.	2024
WLA Certification (Online/Retail)	GBO Italy spa	2024
ISO 27001 Certification	Gamenet; GBO Italy; PWO; Totosi; Betflag	2024 -2026
Milan Polytechnic University	Lottomatica Group research project	2024



Action	Type of financial resources	CapEx (€)	OpEx (€)	Link with financial statement items	Future financial resources (€)
Corporate Responsible Gaming Campaign	Provision of Services	-	42,968.60	Costs for services - Marketing expenses Other operating costs and expenses - Purchases of goods and other purchases	20,000
First level training of employees and the direct network	Provision of Services	n/a	n/a	n/a	n/a
Second level training for employees in contact with customers	Provision of Services	-	31,110	Costs for services -other	42,700
Direct network training	Provision of Services	-	3,050	Costs for services -other	3,050
Dedicated responsible gaming section on the corporate intranet	Internal development	n/a	n/a	n/a	n/a
Responsible gaming functionality on online gaming accounts	Internal development	n/a	n/a	n/a	n/a
G4 Certification (Online)	Provision of Services	-	31,103.90	Costs for services -other	109,800
G4 Certification (Retail)	Provision of Services	-	12,255	Costs for services -other	7,500
WLA Certification (Online/Retail)	Provision of Services	-	27,433.35	Other operating costs and charges -Other operating costs and charges	-
ISO 27001 Certification	Provision of Services	-	35,725	Costs for services - Tax, administrative, legal and financial consulting	12,500
Milan Polytechnic University	Provision of Services	-	29,280	Costs for services -other	-

Aware of the risks to the rights and freedoms of its users, the Group has implemented, and is constantly reviewing, appropriate organisational and security measures based on the risk level. This is also evidenced by the certifications obtained by the Group's companies, such as the **ISO/IEC 27701:2019** certification, held by Gamenet S.p.A. and GBO Italy S.p.A., which attests to their information security and privacy management systems' compliance with the international standard. In addition, in order to allow the broadest possible access to its legal gaming offering, the Group is engaged in activities aimed at acquiring and increasing its number of remote gaming licenses, and opening venues throughout the country that meet the highest standards in terms of protecting minors and vulnerable individuals, in order to offer an alternative channel to illegal gaming.

Metrics and targets

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Disclosure requirement
S4-5

The Group has implemented Responsible Gaming programmes and is committed to ensuring a safe and regulated gaming environment with high ethical standards, preventing cyber attacks and protecting consumer data, as well as combating gambling disorder. In this regard, while no specific metric have been identified and no quantitative targets have been set, Lottomatica has implemented policies and actions, and monitors their effectiveness through the adopted controls described in the previous sections, and is also considering setting targets as part of its sustainability strategy.

4. Governance information

4.1 Business conduct [ESRS G1]

Management of impacts, risks and opportunities

Lottomatica Group upholds **ethical values, integrity, transparency, and accountability** as fundamental principles, and is committed to conducting its business in accordance with the **values** and **principles** outlined in the **Code of Ethics**, in the 231 Model, and in the **AB&C Guidelines**, with particular attention placed on **combating corruption and misconduct** throughout the value chain.



Lottomatica Group upholds ethical values, integrity, transparency, and accountability as fundamental principles, and is committed to conducting its business in accordance with the values and principles outlined in the Code of Ethics, in the 231 Model, and in the AB&C Guidelines, with particular attention placed on combating corruption and misconduct throughout the value chain.

Below is a list of IROs identified as material from the double materiality analysis, which the Group is committed to managing through targeted policies and concrete actions related to business conduct, particularly in supplier relations and the prevention of bribery and corruption.



ESRS G1 – BUSINESS CONDUCT					
ESRS (SUB-TOPIC)	IRO	DESCRIPTION	POSITIVE / NEGATIVE ACTUAL / POTENTIAL	TIME HORIZON	VALUE CHAIN
Business culture	I	Incidents of behaviour inconsistent with the Lottomatica Code of Ethics and mission	Negative Potential	Medium term Long term	Upstream Own operations
Whistleblower protection	I	Incidents of behaviour inconsistent with the Lottomatica Code of Ethics and mission	Negative Potential	Medium term Long term	Upstream Own operations
	R	Non-compliance or partial compliance with the Market Abuse Regulation on inside information		Short term	Own operations
Political engagement and lobbying	I	Transparency in interactions with institutions and trade associations	Positive Actual	Short term Medium term Long term	Own operations
Management of supplier relations, including payment practices	I	Adherence to Lottomatica's values and principles throughout the supply chain (e.g. Supplier Code of Conduct, Code of Ethics, 231 Model)	Positive Actual	Short term Medium term Long term	Upstream
	R	Procurement process not aligned with the business needs due to an unstructured accounts payable management cycle and/or uncoordinated information flows between the Purchasing & Shared Services function and other functions involved in the unstructured process		Short term	Upstream Own operations
	R	Identification of unqualified or unsuitable suppliers		Short term	Upstream Own operations
	R	Inadequacies in the supplier contracting process		Short term	Own operations
	I	Raising sustainability awareness within the supply chain	Positive Actual	Short term Medium term Long term	Upstream
Bribery and corruption risks	I	Compliance with tax obligations and the payment/collection of taxes due to the Tax Authorities	Positive Actual	Short term Medium term Long term	Own operations
	R	Non-compliance or partial compliance with the regulations on related party transactions		Short term Medium term	Own operations
	R	Inadequate or non-implementation of anti-money laundering controls (231/07)		Short term Medium term	Own operations
	R	Inadequate or non-application of anomaly indicators during monitoring, as defined by the legislation, the FIU indications, and the ADM Guidelines		Short term Medium term	Own operations
	R	Potential economic damage caused by intentional dishonest or deceptive activities committed by individuals within the Company		Short term	Own operations
	R	Potential economic damage caused by intentional dishonest or deceptive activities committed by individuals outside the Company		Short term Medium term	Upstream

Disclosure
requirement
G1-1

Corporate culture and business conduct policies

Lottomatica has adopted and disseminated a set of **policies**⁴⁴ designed to **foster a corporate culture of responsible conduct, both inside and outside the Organisation**, as well as to effectively manage the identified IROs. The Code of Ethics serves as the cornerstone of this culture, reflecting the Group’s commitment to upholding legal compliance and defining fundamental standards and values such as personal integrity, impartiality, and anti-corruption, which must be maintained and promoted.

In pursuit of the highest standards of ethics and integrity, Lottomatica Group has established a structured system for managing the reporting of offences,⁴⁵ ensuring robust governance through models and procedures designed to protect all stakeholders, in alignment with the 231 Model and the regulatory provisions. Together with the 231 Model and the Anti-Bribery and Corruption Policy and Guidelines, the Code of Ethics constitutes a specific training topic for all new recruits, and, in addition to being explicitly referenced in every contract, is also available on the Group’s main websites, on the corporate intranet, and on the portals dedicated to the Group’s commercial partners and suppliers. A specific assessment test must also be passed at the end of each course. Under the corruption management system and the 231 Model, the Group assessed areas potentially at risk of corruption and bribery. It concluded that no functions are at high risk of corruption given the existing mitigation measures.

Management of relationships with suppliers

Disclosure
requirement
G1-2

Lottomatica selects, evaluates, and manages commercial relations with its partners and suppliers based on **criteria of fairness, equity, and transparency**, ensuring respect for the **ESG criteria** throughout the value chain. The procurement processes follow standard practices, including adherence to payment terms. To monitor payments and prevent delays, the Group implements a monthly planning system based on due dates and estimated invoices, complemented by a weekly review of the financial budget and ongoing tracking of both completed and outstanding payments. As a **supply chain leader**, Lottomatica integrates additional key criteria into the selection and monitoring of its suppliers, in order to assess and mitigate potential risks and impacts. These criteria **include quality monitoring, verification of production capacity, corporate reputation, financial stability, and the promotion of sustainable practices**. With particular regard to sustainability, the Group is committed to fostering a responsible supply chain, and therefore requires suppliers listed in the register to undergo ESG assessments via the SynESGy platform, as well as regular audits to ensure compliance with the quality and sustainability standards. The evaluation process takes **social risks**, such as child labour and unsafe working conditions, as well as **environmental factors** into account. In addition, the supplier selection process also incorporates **incentives** for adopting low-impact technologies, utilising renewable energy, and obtaining recognised certifications, such as ISO 14001, EMAS, or equivalents. A representative sample of suppliers undergoes on-site audits to verify adherence to the Group’s Supplier Code of Conduct and Environmental Sustainability Policy.

44) For further details on the Group’s business conduct policies, please refer to the “Summary of Policies” paragraph in the “General Information” chapter.
45) For more details on the whistleblowing system, please refer to the section ‘Channels for own workers and workers’ representatives to raise concerns’ in the chapter ‘Own workforce [ESRS S1]’.



Disclosure
requirement
G1-3

Prevention and detection of corruption and bribery

In 2022, Lottomatica and its main concessionaire companies have adopted a **Management System for the Prevention of Corruption**, certified under the international standard UNI ISO 37001. This certification was extended to the entire Lottomatica Group in 2023, following an audit of the control systems and measures in place to prevent and mitigate corruption risks. The Anti-Bribery & Corruption function, led by the Anti-Bribery and Corruption Officer within the Internal Audit & GRC Department, was established as part of this initiative. The Group has also introduced a dedicated “**Anti-Bribery & Corruption Policy and Guidelines**” that outlines the commitments **to preventing corruption**, the **rules of conduct to be followed**, the **procedures for reporting violations**, and the **training and awareness activities** carried out. Additionally, it includes appropriate checks on the reliability, reputation, and suitability of third parties with whom Lottomatica considers establishing business relationships. This policy is publicly available on the Group’s institutional website, as well as the corporate intranet. Specific clauses related to anti-corruption, the Code of Ethics, and the 231 Model are also included in commercial contracts. Reporting potential cases of corruption is integrated into the existing reporting management system. Such cases are handled by the Chief Audit Executive and the Chief of Corporate & Legal Affairs. Lottomatica provides specialised **training courses on the 231 Model and anti-corruption measures**, with employees required to renew their training every three years. A specific assessment test must be passed at the end of each course. Training programmes on these topics cover 100% of the functions and are also aimed at senior management and the Group’s main administration, management and control bodies (OADCs).

					2024
Anti-corruption training	u.m.	Functions at risk	Managers	OADC	Other own workers
Extent of training					
Total	No.	28	59	40	2,078
Total training recipients		28	59	40	2,078
Method and duration ⁴⁶					
E-learning	h	0.50	0.50	0.50	0.50
Frequency					
Frequency of training requirements		Every three years	Every three years	Every three years	Every three years
Topics covered					
Anti-corruption management system in accordance with ISO 37001		x	x	x	x
231 Model		x	x	x	x
Code of Ethics		x	x	x	x

46) With regard to the duration of the reported training, it is specified that 0.50 h means 30 minutes of training.

Actions MDR-A

Minimum
disclosure
requirement

In order to effectively manage the IROs identified through the dual materiality analysis process in relation to business conduct, the Group pursued multiple initiatives in 2024, **focusing on training, the implementation of a whistleblowing channel, and the maintenance and potential expansion of its ISO 37001 certification**:

- Training on the 231 Model, Code of Ethics, and AB&C management system:** The Company promotes awareness of the Model, the Code of Ethics, and the company procedures among all employees, who are therefore expected to understand their contents, comply with them, and contribute to their implementation. The mandatory employee training on Legislative Decree no. 231/01, as well as on the implementation and key updates of the Model and the Code of Ethics, is coordinated by the HR & Organisation Department in collaboration with the Risk, Ethics & Compliance Department. This training is delivered through a structured training plan that includes classroom seminars (particularly for management personnel and proxy holders) and e-learning modules. New recruits receive dedicated training on the 231 Model, the Code of Ethics, and the procedural system as part of the onboarding process. In this regard no significant instances of non-compliance with laws or regulations resulted in major penalties for Lottomatica Group during the year.
- Whistleblowing:** Every six months, the HR & Organization Department sends an email to all employees detailing the procedure for reporting violations observed at the workplace, including conduct, actions, or omissions that harm the public interest or the integrity of Lottomatica Group. In this regard, an annual report on any whistleblower reports is submitted to the Board of Directors.
- ISO 37001 Certification:** The Group maintained its ISO 37001 certification, which attests to the compliance of its Anti-Bribery & Corruption Management System, Policy, and Guidelines. In 2024, the certification was maintained for 5 Group companies, and was newly obtained for 2 companies that recently joined the group itself.

Main actions	Field of application	Time horizons
Training on the 231 Model and Code of Ethics	Lottomatica Group employees	Quarterly for new recruits
Whistleblowing	Lottomatica Group employees	Every six months
ISO 37001 Certification	Gamenet; Lottomatica Videolot Rete; Lottomatica Group; GBO Italy; Betflag; PWQ; Totosi	Each year

Action	Type of financial resources	CapEx (€)	OpEx (€)	Link with financial statement items	Future financial resources (€)
Training on the 231 Model and Code of Ethics	Provision of services	-	19,520	Tax, administrative, legal, and financial consulting	8,540
Whistleblowing	Provision of services	-	15,465	Tax, administrative, legal, and financial consulting	13,892
ISO 37001 Certification	Provision of services	-	19,646	Tax, administrative, legal, and financial consulting	25,000



Metrics and targets

Disclosure
requirement
G1-4

Confirmed incidents of corruption or bribery

There were **no reported incidents, convictions, or fines related to violations of anti-corruption laws** during the course of 2024. Moreover, no actual impacts or cases of corruption linked to the Group through business relationships in the value chain were brought to the Group's attention.

Cases of bribery and corruption	u.m.	2024
Convictions for violations of laws regarding bribery and corruption	No.	0
Fines imposed for breaches of laws related to bribery and corruption	€	0

Disclosure
requirement
G1-5

Political influence and lobbying activities

In accordance with the Code of Ethics, the Group maintains **relationships** with **authorities, public institutions, and other entities representing collective interests** based on the highest standards of **fairness, transparency, honesty, integrity, and cooperation**. These interactions must **fully comply with all applicable laws and regulations**, as well as with the principles established in the Code of Ethics and corporate procedures. Moreover, in its dealings with public institutions, the Group is committed to representing its interests in an honest and transparent manner, while respecting the independence and impartiality of Public Administration decisions. It ensures the highest standards of fairness, clarity, and transparency in all documents, communications, and digital records. Lottomatica does **not, directly or indirectly, support or discriminate against any political or trade union organisation**. It **refrains from making any contributions, whether direct or indirect and in any form, to political or trade union parties, movements, committees, organisations, or their representatives** and candidates. Any interactions with trade unions, political parties, or their representatives or candidates are conducted in full compliance with the highest standards of fairness and transparency, and the applicable laws. This does not, however, include solidarity initiatives, which the Company considers as an essential value, and in which it actively participates and raises awareness, with subjects operating in the social field. Lottomatica Group is also a member of Con-fcommercio–Imprese per l'Italia and Unindustria, the regional association of the Confindustria system covering Rome, Frosinone, Latina, Rieti, and Viterbo. The Group is also a member of the AGIC (Associazione Gioco e Intrattenimento in Concessione), an association under Confindustria that represents the leading concessionaire companies in Italy's public and regulated gaming sector. The AGIC aims to promote actions and investments that uphold legality, safety, and responsibility towards consumers and the community — values that have always been central to its member companies and are essential for building a robust and modern Italian gaming industry. Lottomatica is also affiliated with Assonime, an association of Italian joint-stock companies dedicated to studying and addressing issues impacting the interests and growth of the Italian economy. Finally, the subsidiary GBO Italy S.p.A. is a member of the World Lottery Association, an international organisation that, for over 20 years, has represented leading companies in the gaming sector across more than 80 countries worldwide. It is also a member of the ULIS association (United Lotteries for Integrity in Sport), which is dedicated to promoting and safeguarding integrity in the world of sports.

Lastly, it is specified that Lottomatica is not registered in the EU Transparency Register nor in similar registers within the Member States and has not identified figures with specific responsibility for monitoring lobbying activities within its administration, management, and control bodies.

Payment practices

Disclosure
requirement
G1-6

The Group companies include the general terms and conditions for the purchase of goods and services as an annex to the purchase order, setting a payment deadline of 90 days from the end of the month in which the invoice is issued, unless otherwise agreed upon in writing by the Parties. Any late payment interest due is calculated by applying the legal interest rate pursuant to art. 1284 of the Italian Civil Code, and commences from the date of the express written request of the Supplier.

Average payment time	u.m.	2024
Average payment time	No. of days	34.34
Payments meeting standard terms	No.	33,757
Total payments		33,961
Percentage of payments made within the standard terms	%	99.40
Court proceedings currently pending due to late payment	No.	0

The percentage of payments that meet the standard terms is the result of the ratio of payments made within the standard terms (90 days) to the total payments made during the year. In addition, in order to avoid possible delays in payment, a monthly planning is carried out on the previous month's overdue payments, while monitoring against the financial budget of what has been paid and what remains to be paid is done on a weekly basis.

For the purpose of calculating the average time taken to pay an invoice, the companies were considered: Agesoft, Ares, Betflag, Big Easy, Billions Italia, Gamenet, Gamenet Pro, GBO, GBO Italy, GGM, Gioca Online, GNetwork, Jolly Group, Lottomatica (relative to the months prior to the merger into Lottomatica Group), Lottomatica Digital Solutions, Lottomatica Group, Lottomatica Videolot Rete, Marim, Newmatic (relative to the months prior to the merger into Jolly Group), PWO Italia. Specifically, the January-December 2024 movements of these companies were taken into account, only as regards payables to suppliers in the strict sense. Invoices with a document date and due date of 2024 and registered in the year 2024 were taken into account, considering the balancing date as the payment date. In the absence of a balancing date, the payment time was calculated until 31 December 2024.

Target MDR-T

Minimum
disclosure
requirement

The Group has adopted specific policies and procedures and implemented various initiatives to strengthen corporate governance, uphold the highest standards of ethics and integrity, responsibly manage the supply chain, and establish itself as a leader in driving sustainable development within the value chain. In keeping with the principles and values of the Code of Ethics that guide the conduct of the business activities and the execution of the Group's strategies, these goals have been further strengthened through alignment with the UN Global Compact as of 2022. In this context, while no specific quantitative targets have been set, Lottomatica has implemented policies and actions, and monitors their effectiveness through the controls described in the previous sections, also considering setting targets as part of its sustainability strategy.

Certification of the sustainability reporting pursuant to art. 81-ter, paragraph 1, of Consob Regulation no. 11971 of May 14, 1999, as amended and supplemented

The undersigned Guglielmo Angelozzi, Chief Executive Officer of Lottomatica Group S.p.A., and Laurence Van Lancker, as executive officer responsible for the preparation of Lottomatica Group's financial statements, certify, in compliance with Article 154-bis, paragraph 5-ter, of Legislative Decree No. 58 of 24 February 1998, that the sustainability report included in the management report has been prepared:

- a) in accordance with the reporting standards applied pursuant to Directive 2013/34/EU of the European Parliament and of the Council of June 26, 2013, and Legislative Decree No. 125 of September 6, 2024;
- b) with the specifications adopted pursuant to Article 8(4) of Regulation (EU) 2020/852 of the European Parliament and of the Council of June 18, 2020.

Rome, 3 March 2025

Chief Executive Officer

Guglielmo Angelozzi



Executive Officer responsible for the preparation of corporate accounting information

Laurence Van Lancker





Consolidated financial
statements as of and for the year
ended 31 December 2024

Consolidated statement of comprehensive income

<i>(In thousands of Euro)</i>	<i>Note</i>	For the year ended 31 December			
		2024	Of which Related Parties (Note 10)	2023*	Of which Related Parties (Note 10)
Revenues	8.1	2,004,725		1,632,488	
Other income	8.2	14,951	10	18,529	568
Total revenues and income		2,019,676		1,651,017	
Cost of services	8.3	(1,213,725)		(972,759)	
Personnel expenses	8.4	(135,503)	(6,380)	(98,378)	(4,351)
Other operating costs	8.5	(39,477)	(71)	(40,952)	(2,033)
Depreciation, amortization and impairments	8.6	(244,353)		(194,678)	
Impairment of receivables and financial assets	8.7	(243)		(7,975)	
Other (accruals)/ releases	8.7	(785)		1,977	
Finance income	8.8	9,038		28,139	13
Finance expenses	8.8	(215,400)		(220,287)	(23,420)
Share of profit/(loss) of equity accounted investments	8.9	1,663		(8,965)	
Profit before tax		180,891		137,139	
Income tax expense	8.10	(77,052)		(63,277)	
Net profit for the year		103,839		73,862	
Net profit for the year attributable to non-controlling interests		5,242		5,919	
Net profit for the year attributable to the owners of the parent		98,597		67,943	
Earning per share – Base and diluted (in Euro)	8.11	0.39		0.29	

<i>(In thousands of Euro)</i>	<i>Note</i>	For the year ended 31 December			
		2024	Of which Related Parties (Note 10)	2023*	Of which Related Parties (Note 10)
Net profit for the year		103,839		73,862	
Actuarial gains and losses on employee benefit liabilities		408		174	
Fiscal effect on actuarial gains on employee benefit liabilities		(98)		(42)	
Other items that will not be classified to profit or loss		310		132	
Losses on hedging derivatives	9.14	(3,889)		(31,195)	
Fiscal effect on losses on hedging derivatives	9.14	928		7,487	
Gains / (losses) on conversion of financial statements of the foreign companies		21		(696)	
Other items that will be classified to profit or loss		(2,940)		(24,404)	
Total comprehensive profit		101,209		49,590	
Total comprehensive profit attributable to non-controlling interests		5,242		5,919	
Total comprehensive profit attributable to the owners of the parent		95,967		43,671	

* The figures for the year ended 31 December 2023 have been restated following the completion of the purchase price allocation relating to Ricreativo B S.p.A., (see Note 7.8 below for further details).

(The attached notes form an integral part of this consolidated financial statements)

Consolidated statement of financial position

As of 31 December					
(In thousands of Euro)	Note	2024	Of which Related Parties (Note 10)	2023*	Of which Related Parties (Note 10)
Intangible assets	9.1	697,953		576,335	
Goodwill	9.2	2,048,563		1,470,778	
Property, plant and equipment	9.3	148,460		109,234	
Right of use	9.4	74,398		69,555	
Investment property	9.5	435		462	
Non-current financial assets	9.6	2,037		614	
Equity accounted investments	9.7	-		285	
Non-current trade receivables	9.9	636		955	
Deferred tax assets	9.10	10,565		-	
Other non-current assets	9.11	15,815		14,348	
Total non-current assets		2,998,862		2,242,566	
Inventories	9.8	1,478		1,495	
Current trade receivables	9.9	77,349		95,825	3
Current financial assets	9.6	30,396		530,475	
Tax receivables	9.12	2,158		872	
Other current assets	9.11	162,079		120,155	
Cash and cash equivalents	9.13	164,156		294,682	
Total current assets		437,616		1,043,504	
Total assets		3,436,478		3,286,070	
Share capital	9.14	10,000		10,000	
Other reserves	9.14	405,959		471,383	
Retained earnings	9.14	102,010		16,629	
Total shareholders' equity attributable to the owners of the parent		517,969		498,012	
Equity attributable to non-controlling interests	9.14	47,534		43,218	
Total shareholders' equity		565,503		541,230	
Employee benefit liabilities	9.15	26,730		22,016	
Non-current financial liabilities	9.16	2,048,436		2,020,297	
Provisions for risks and charges	9.17	6,164		4,891	
Deferred tax liabilities	9.10	152,130		105,382	
Other non-current liabilities	9.18	53,200		17,675	
Total non-current liabilities		2,286,660		2,170,261	
Current financial liabilities	9.16	100,391		165,793	560
Current trade payables	9.19	133,702		95,911	214
Tax payables	9.12	23,147		4,649	
Other current liabilities	9.18	327,075	2,441	308,226	2,379
Total current liabilities		584,315		574,579	
Total equity and liabilities		3,436,478		3,286,070	

* The figures as of 31 December 2023 have been restated following the completion of the purchase price allocation relating to Ricreativo B S.p.A., (see Note 7.8 below for further details).

(The accompanying notes are an integral part of these consolidated financial statements)



Consolidated statement of cash flows

			For the year ended 31 December		
(In thousands of Euro)	Note	2024	Of which Related Parties (Note 10)	2023*	Of which Related Parties (Note 10)
INDIRECT METHOD					
Profit before tax		180,891		137,139	
Reconciliation of profit before tax with cash flow from operating activities:					
Depreciation, Amortization and Impairment	8.6	244,353		194,678	
Accruals and write-downs for impairment losses	8.7	1,028		5,998	
Other accruals	8.4	3,363		4,793	
Share of (profit)/loss of equity accounted investments	8.9	(1,663)		8,965	
Net financial expenses	8.8	202,066		188,397	23,407
Leasing financial expenses	8.8	4,296		3,751	
Other adjustments for non-monetary items		7,696		3,451	
Cash flow from operating activities before changes in net working capital		642,030		547,172	
Changes in net working capital					
Increase in inventories	9.8	350		2,742	
Decrease/ (Increase) in trade receivables	9.9	21,672	13	(10,446)	-
Increase / (Decrease) in trade payables	9.19	7,152	(285)	(4,752)	(4,971)
Other changes in net working capital	9.11-9.18	(65,484)	(6,318)	(11,775)	(1,972)
Cash flow from changes in net working capital		(36,310)		(24,231)	
Income taxes paid		(79,443)		(114,074)	
Accruals to employee benefits and provisions for risks and charges	9.15-9.17	(1,939)		(1,335)	
Cash flow from operating activities (a)		524,338		407,532	
Cash flow from investing activities					
Investments:		(181,412)		(123,235)	
-intangible assets	9.1	(117,713)		(82,891)	
-property, plant and equipment	9.3	(63,699)		(40,344)	
Investments in associates		-		(217)	(217)
Escrow account	9.6	504,281		(497,500)	
Net disposal in financial assets	9.6	1,764		1,602	
Deferred purchase consideration for acquisition of subsidiaries/business units	9.16	(60,852)		(13,269)	
Acquisition net of cash and cash equivalents	9.16	(605,129)		(8,263)	
Cash flow from investing activities (b)		(341,348)		(640,882)	

			For the year ended 31 December		
(In thousands of Euro)	Note	2024	Of which Related Parties (Note 10)	2023*	Of which Related Parties (Note 10)
Cash flow from financing activities					
Proceeds from bond issuance	9.16	900,000		1,607,000	
Repayment of notes	9.16	(900,000)		(1,215,000)	
Bridge Loan fees and make-whole costs	9.16	(32,693)		(26,439)	
Fees for issuance of notes	9.16	(21,031)	(1,235)	(25,394)	(1,808)
Net financial expenses including RCF	9.16	(160,122)		(138,035)	
Lease payment	9.16	(24,676)		(20,363)	
Repayment of other bank liabilities	9.16	(2,871)		(1,436)	
Changes in current and non-current financial assets	9.16	822		(1,537)	
Proceeds from closing IRS		-		19,845	
Repayment of Gamma Bondco loan		-		(296,795)	(296,795)
Transactions with minorities	9.14	(5,832)		(4,182)	
Dividends paid	9.14	(67,113)		(1,981)	
Capital increase	9.14	-		425,000	
Transaction costs for capital increase	9.14	-		(27,489)	(1,013)
Cash flow from financing activities (c)		(313,516)		293,194	
Net Cash flow (a+b+c)		(130,526)		59,844	
Cash and cash equivalents at the beginning of the year	9.13	294,682		234,838	
Cash and cash equivalents at the end of the year	9.13	164,156		294,682	

* The figures for the year ended 31 December 2023 have been restated following the completion of the purchase price allocation relating to Ricreativo B S.p.A., (see Note 7.8 below for further details).

(The accompanying notes are an integral part of these consolidated financial statements)

Consolidated statement of changes in equity

<i>(In thousands of Euro)</i>	<i>Note</i>	Share capital	Legal Reserve	Share premium reserve	Other Reserves
As of 31 December 2022	<i>9.14</i>	50	10	-	78,949
Net profit for the year		-	-	-	-
Other items of comprehensive income		-	-	-	-
Total comprehensive income		-	-	-	-
Dividends distribution		-	-	-	-
Capital Increase		9,900	-	415,100	
Capital Increase transaction costs*		-	-	(20,892)	-
Share based compensation		-	-		-
Transactions with minorities		50	-	39,624	(41,408)
As of 31 December 2023**	<i>9.14</i>	10,000	10	433,832	37,541
Net profit for the year		-	-	-	-
Other items of comprehensive income		-	-	-	-
Total comprehensive income		-	-	-	-
Dividends distribution		-	-	(65,424)	-
Share based compensation		-	-	-	-
Other changes in equity including transactions with minorities		-	-	-	-
As of 31 December 2024	<i>9.14</i>	10,000	10	368,408	37,541

* “Capital increase transaction costs” amount to Euro 27.5 million and are shown net of the related tax benefit of Euro 6.6 million.
** The figures as of 31 December 2023 have been restated following the completion of the purchase price allocation relating to Ricreativo B S.p.A., (see Note 7.8 below for further details).

Total Other Reserves	Retained Earnings/ (Losses)	Total Shareholders' Equity Attributable to Owners of the Parent	Equity Attributable to Minority Interests	Total Shareholders' Equity
78,959	(27,619)	51,390	55,168	106,558
-	67,943	67,943	5,919	73,862
-	(24,272)	(24,272)	-	(24,272)
-	43,671	43,671	5,919	49,590
-	-	-	(1,981)	(1,981)
415,100	-	425,000	-	425,000
(20,892)	-	(20,892)	-	(20,892)
-	403	403	-	403
(1,784)	174	(1,560)	(15,888)	(17,448)
471,383	16,629	498,012	43,218	541,230
-	98,597	98,597	5,242	103,839
-	(2,630)	(2,630)	-	(2,630)
-	95,967	95,967	5,242	101,209
(65,424)	-	(65,424)	(3,441)	(68,865)
-	1,333	1,333	-	1,333
-	(11,920)	(11,920)	2,515	(9,405)
405,959	102,009	517,969	47,534	565,503

(The accompanying notes are an integral part of these consolidated financial statements)



Explanatory notes to the consolidated financial statements

1. General information

1.1 Introduction

Lottomatica Group S.p.A. (hereinafter ‘the “**Company**” or the “**Parent**” and together with its subsidiaries the “**Group**”) is a company incorporated on 15 October 2019 and domiciled in Italy with registered offices in Rome, Via degli Aldobrandeschi, 300, organized under the laws of the Republic of Italy. The share capital of the Company amounts to Euro 10,000,000, divided into 251,630,412 ordinary shares without nominal value. The term of the Company is fixed until 31 December 2100. The Company’s ultimate controlling entity is Apollo Capital Management, L.P., a limited company incorporated under the laws of the State of Delaware (USA). Since 3 May 2023, the Company’s shares have been listed on Euronext Milan, a regulated market organized and managed by Borsa Italiana S.p.A..

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

On 24 April 2024, GBO S.p.A. completed the acquisition of 100% of the share capital of SKS365 Malta Holding Limited (the “**SKS365 Acquisition**”), following the customary regulatory approvals. The transaction was financed by the proceeds from the issuance of the December 2023 Notes (as defined below) and available cash.

These consolidated financial statements as of and for the year ended 31 December 2024 (hereinafter the “**Consolidated Financial Statements**”) were approved by the Company’s Board of Directors on 3 March 2025 and were audited by PricewaterhouseCoopers S.p.A..

2. Summary of significant accounting policies

The most significant accounting policies and measurement criteria used in the preparation of the Consolidated Financial Statements are described below.

2.1 Basis of preparation

These Consolidated Financial Statements have been prepared in accordance with the International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB) and adopted by the European Union (hereafter, “**EU IFRS**”) in force as of 31 December 2024.

The Consolidated Financial Statements have been prepared in accordance with Article 154-ter of Italian Legislative Decree 58/98, as well as the relevant provisions of Consob, and include the consolidated statement of financial position, the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity, as well as the explanatory notes.

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

The Consolidated Financial Statements have been prepared on a going concern basis, as management has confirmed the absence of financial, operational or other indicators that may suggest an inability on the part of the Group to meet its obligations in the foreseeable future and, in particular, during the 12 months following the reporting date. The Group operates in a sector characterized by a business model in which collections precede payments. This dynamic, also considering the strong cash generation, allows the Group to manage its finances efficiently and utilize cash and cash equivalents for payments also related to non-recurring transactions which may determine temporary situations, such as those at 31 December 2024, in which current assets may be lower than current liabilities.

The consolidated financial statements as of and for the year ended 31 December 2023, presented in this Consolidated Financial Statements for comparative purposes, have been restated compared to the original data published for such period following the completion of the purchase price allocation described below which was provisionally accounted for in the financial statements as of and for the year ended 31 December 2023 (see Note 7.8 below for further details).

It should be noted that the Group has applied the temporary exemption provided by the amendment to IAS 12, issued by the International Accounting Standards Board (“IASB”) on 23 May 2023 (implemented by Regulation No. 2023/2468 of European Commission of 8 November 2023), regarding the recognition and related disclosure to be provided in the financial statements for deferred tax assets and liabilities arising from the application of the minimum tax (so-called “Global Minimum Tax”) provided by European Directive 2022/2523 of 14 December 2022, under the Global Anti-Base Erosion Model Rules (so-called “Pillar 2”). Accordingly, the Group will not recognize or disclose information on deferred tax assets and liabilities related to Pillar 2 income taxes.

2.2 Format and content of the financial statements

The Consolidated Financial Statements are presented in thousands of Euro (unless otherwise indicated), the main currency in which Group companies operate.

The principal statements and related classification criteria adopted by the Group (among the options available under **IAS 1** – Presentation of financial statements) are as follows:

- the *consolidated statement of financial position* classifies assets and liabilities based on whether they are current/non-current;
- the *consolidated statement of comprehensive income* classifies costs and revenues according to their nature and sets out the profit or loss for the year, together with other amounts that, in accordance with EU IFRS, are recognized directly in equity separately from those relating to operations with the Company’s shareholders;
- the *consolidated statement of cash flows* is prepared using the indirect method;
- the *consolidated statement of changes in equity*.

The formats used are those considered to provide the best representation of the Group’s results and financial position.



2.3 Basis and principles of consolidation

The Consolidated Financial Statements include the financial statements of the Company and its subsidiaries as approved by the respective boards of directors and prepared based on the accounting records of the individual companies, adjusted as necessary to align them with EU IFRS.

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

	Registered office	Share capital	% direct ownership	Owned by	% ownership at Group level	Consolidation method	31 December	As of
							2024	2023
PARENT COMPANY:								
Lottomatica Group S.p.A.	Rome	€10,000,000	-	-	-	-	X	X
SUBSIDIARIES:								
Lottomatica S.p.A. ⁽¹⁵⁾	Rome	€32,350,625	100.0%	Lottomatica Group S.p.A.	100.0%	Line-by-line	-	X
Gamenet S.p.A.	Rome	€8,500,000	100.0%	GGM S.p.A.	96.5%	Line-by-line	X	X
Billions Italia S.r.l.	Rome	€200,000	100.0%	Gamenet S.p.A.	96.5%	Line-by-line	X	X
Gnetwork S.r.l.	Rome	€66,667	75.0%	Gamenet S.p.A.	72.4%	Line-by-line	X	X
GBO Italy S.p.A.	Rome	€860,000	100.0%	GBO S.p.A.	100.0%	Line-by-line	X	X
Jolly Group S.r.l. ⁽¹²⁾	Rome	€19,683	64.7%	Gamenet S.p.A.	62.4%	Line-by-line	X	X
New Matic S.r.l. ⁽¹²⁾	Rome	€100,000	100.0%	Jolly Group S.r.l.	62.4%	Line-by-line	-	X
Agesoft S.r.l.	Rome	€100,000	60.0%	Gamenet S.p.A.	57.9%	Line-by-line	X	X
Lottomatica Videolot Rete S.p.A.	Rome	€3,413,984	100.0%	GGM S.p.A.	96.5%	Line-by-line	X	X
Big Easy S.r.l. ⁽¹⁶⁾	Rome	€2,474,219	100.0%	Lottomatica Video-lot Rete S.p.A.	96.5%	Line-by-line	X	X
GGM S.p.A.	Rome	€27,238,695	96.5%	Lottomatica Group S.p.A.	96.5%	Line-by-line	X	X
GBO S.p.A.	Rome	€300,000	100.0%	Lottomatica Group S.p.A.	100.0%	Line-by-line	X	X
Gamenet PRO S.r.l.	Rome	€10,000	100.0%	GBO S.p.A.	100.0%	Line-by-line	X	X
GNet Inc. ⁽²¹⁾	Delaware (USA)	USD 264,854	100.0%	GBO S.p.A.	100.0%	Line-by-line	X	X
The Box S.r.l. ⁽¹⁾	Rome	€5,277,680	100.0%	Big Easy S.r.l.	96.5%	Line-by-line	-	X
Slottery S.r.l. ⁽¹⁾	Rome	€90,000	100.0%	Big Easy S.r.l.	96.5%	Line-by-line	-	X
Lottomatica UK Ltd. ⁽¹⁴⁾	London (UK)	£ 1,000	100.0%	Lottomatica Group S.p.A.	100.0%	Line-by-line	X	X
Giocaonline S.r.l.	Milan	€10,000	60.0%	GBO Italy S.p.A.	60.0%	Line-by-line	X	X
Ares S.r.l.	Rome	€10,000	80.0%	Gamenet S.p.A.	77.2%	Line-by-line	X	X
Marim S.r.l.	Rome	€583,640	85.7%	GGM S.p.A.	82.7%	Line-by-line	X	X
Tecno-Mar S.r.l.	Moncalieri (TO)	€1,000	70.0%	Marim S.r.l.	57.9%	Line-by-line	X	X
Lottomatica Digital Solutions S.r.l.	Rome	€10,000	100.0%	GBO Italy S.p.A.	100.0%	Line-by-line	X	X
AB Games S.r.l. ⁽¹⁸⁾	Rome	€10,000	100.0%	Big Easy S.r.l.	96.5%	Line-by-line	-	X
Big Easy Bingo S.r.l. (formerly Battistini Andrea S.r.l.) ⁽¹⁸⁾	Rome	€10,400	100.0%	Big Easy S.r.l.	96.5%	Line-by-line	X	X

	Registered office	Share capital	% direct ownership	Owned by	% ownership at Group level	Consolidation method	As of 31 December	
							2024	2023
Betflag S.p.A	Rome	€1,500,000	100.0%	GBO S.p.A.	100.0%	Line-by-line	X	X
Ricreativo B S.p.A.	Rome	€10,000,000	100.0%	GGM S.p.A.	96.5%	Line-by-line	X	X
Bingo Service S.r.l. ⁽¹⁸⁾	Rome	€110,000	100.0%	Big Easy S.r.l.	96.5%	Line-by-line	-	X
Iris S.r.l. ⁽¹⁸⁾	Rome	€103,000	100.0%	Big Easy S.r.l.	96.5%	Line-by-line	-	X
Kristal Palace S.r.l. ^{(2) (18)}	Mazzano (BS)	€50,000	100.0%	Big Easy S.r.l.	96.5%	Line-by-line	-	-
SKS365 Malta Holding Limited ⁽³⁾	St. Julian's (MT)	€10,000	100.0%	GBO S.p.A.	100.0%	Line-by-line	X	-
PWO Limited ^{(3) (9)}	St. Julian's (MT)	€10,000,000	100.0%	SKS365 Malta Holding Limited	100.0%	Line-by-line	X	-
SKS Services doo ^{(3) (13)}	Belgrade (SRB)	RSD 1,185,000	100.0%	SKS365 Malta Holding Limited	100.0%	Line-by-line	X	-
SKS365 SRB doo ^{(3) (13)}	Belgrade (SRB)	RSD 0	100.0%	PWO Limited	100.0%	Line-by-line	X	-
Planet Entertainment S.r.l. ⁽³⁾	Rome	€10,000	100.0%	PWO Limited	100.0%	Line-by-line	X	-
Il Galletto Fortunato S.r.l. ^{(4) (18)}	Rome	€51,000	100.0%	Big Easy S.r.l.	96.5%	Line-by-line	-	-
Totosì Servizi S.r.l. ⁽⁵⁾	Rome	€100,000	100.0%	GBO S.p.A.	100.0%	Line-by-line	X	-
Totosì S.r.l. ⁽⁶⁾	Rome	€10,000	100.0%	GBO S.p.A.	100.0%	Line-by-line	X	-
Dea Bendata S.r.l. ⁽⁷⁾	Rome	€10,000	100.0%	Big Easy S.r.l.	96.5%	Line-by-line	X	-
Rete Gioco Italia S.r.l. ⁽¹⁰⁾	Rome	€3,759,060	60.0%	Lottomatica Videolot Rete S.p.A.	57.9%	Line-by-line	X	-
Bakoo S.p.A. ⁽¹¹⁾	Rome	€120,000	100.0%	Marim S.r.l.	82.7%	Line-by-line	X	-
Sea S.r.l. ⁽¹⁷⁾	Rome	€50,000	96.5%	Big Easy S.r.l.	100.0%	Line-by-line	X	-
IMA S.r.l. ⁽¹⁹⁾	Rome	€101,000	82.7%	Marim S.r.l.	100.0%	Line-by-line	X	X
ASSOCIATES:								
Thinkabout S.r.l. ⁽⁸⁾	Milan	€85,783	24.0%	Gamenet S.p.A.	24.0%	Equity	-	X
iPRO Inc. ⁽²⁰⁾	Nevada (USA)	USD 8,000,000	19.7%	Gamenet PRO S.r.l.	19.7%	Equity	-	X

1) Companies merged into Big Easy S.r.l. on 27 May 2024.
2) On 31 January 2024, Big Easy S.r.l. finalized the acquisition of the entire share capital of Kristal Palace S.r.l., a company operating in the management of Bingo halls as well AWP and VLT devices within them.
3) On 24 April 2024, GBO S.p.A. finalized the acquisition of 100% of the share capital of SKS365 Malta Holding Limited and its subsidiaries.
4) On 6 June 2024, Big Easy S.r.l. finalized the acquisition of the entire share capital of Il Galletto Fortunato S.r.l., company operating in the management of Bingo halls as well as AWP and VLT devices within them.
5) Company incorporated on 28 May 2024.
6) On 31 May 2024, GBO S.p.A. finalized the acquisition of the entire share capital of Macao Phygital S.r.l. a company operating in the online betting activities. On 28 October 2024 Macao Phygital S.r.l has been renamed Totosì S.r.l..
7) On 15 May 2024, Big Easy S.r.l. finalized the acquisition of the entire share capital of Dea Bendata S.r.l., a company operating in the Gaming Franchise sector.
8) The company entered into liquidation in February 2023.The final liquidation financial statements as of 27 December 2023 were approved on 13 February 2024.
9) SKS365 Malta Limited has been renamed PWO limited.
10) On 23 July 2024, Lottomatica Videolot Rete S.p.A. finalized the acquisition of 60% of the share capital of Rete Gioco Italia S.r.l., a company operating in the management of halls as well as AWP and VLT devices within them.
11) On 24 July 2024, Marim S.r.l. finalized the acquisition of the entire share capital of Bakoo S.p.A., a company operating in the development and implementation of gaming software and hardware in the AWP, VLT and online markets.
12) On 5 August 2024, New Matic S.r.l. was merged into Jolly Group S.r.l..
13) The liquidation procedure has been completed.
14) The company entered into liquidation on 26 November 2024.
15) On 24 October 2024, Lottomatica S.p.A. was merged into Lottomatica Group S.p.A..
16) On 20 December 2024, Lottomatica Videolot Rete S.p.A. finalized the acquisition of the entire share capital of Big Easy S.r.l..
17) On 15 October 2024, Big Easy S.r.l. finalized the acquisition of the entire share capital of Sea S.r.l., company operating in the management of Bingo halls as well as AWP and VLT devices within them.
18) Companies merged into Battistini Andrea S.r.l. on 22 November 2024. The company has been renamed Big Easy Bingo S.r.l..
19) On 17 December 2024, Marim S.r.l. finalized the acquisition of the entire share capital of IMA S.r.l., which from December 2024 will be consolidated using the full method as a controlled company.
20) On 19 December 2024, Gamenet PRO S.r.l. has completed the sale of its 19.7% ownership in iPRO Inc..
21) The company entered into liquidation in December 2024.

Please see Note 7 –Business Combinations for further details regarding acquisitions that occurred during 2024.



The following describes other changes in the scope of consolidation that occurred during 2024, relating to extraordinary transactions involving consolidated companies and/or to increases in shares in companies already owned.

Billions Italia S.r.l.

On 23 January 2024, Gamenet S.p.A. signed a contract for the acquisition of the remaining 30% of the share capital of Billions Italia S.r.l., thereafter owning 100% of the share capital.

New Matic S.r.l.

On 13 May 2024, Gamenet S.p.A., which owned 51% of the share capital of New Matic S.r.l., purchased the remaining 49% shareholding, thereafter owning 100% of the share capital. Subsequently, on 22 May 2024, Gamenet S.p.A. sold its entire shareholding in the company New Matic S.r.l. to Jolly Group S.r.l. and on 5 August 2024 the merger between New Matic S.r.l. and Jolly Group S.r.l. took place, with accounting and tax effects backdated to 1 January 2024.

IMA S.r.l.

On 17 December 2024, Marim S.r.l. finalized the agreement for the acquisition of 51% of the share capital of IMA S.r.l.. Following this transaction, Marim S.r.l. controls 100% of the share capital of IMA S.r.l..

Reorganization of the Group

On 24 October 2024, the deed of merger of Lottomatica S.p.A. into Lottomatica Group S.p.A. was signed. The merger had legal effects from 1 November 2024, with accounting and tax effects backdated to 1 January 2024.

As part of a project to rationalize and simplify the organizational structure and corporate structure of the Group, on 1 June 2024, the merger by incorporation of Slottery S.r.l. and The Box S.r.l. into Big Easy S.r.l. took place with accounting and tax effects backdated to 1 January 2024.

Finally, for the purposes of harmonizing the corporate structure with the operational structure of the Group’s “Bingo” business line, on 22 November 2024, the merger by incorporation of Iris S.r.l., Bingo Service S.r.l., Kristal Palace S.r.l., Il Galletto Fortunato S.r.l. and AB Games S.r.l. into Battistini Andrea S.r.l. took place with accounting and tax effects backdated to 1 January 2024. The company was renamed Big Easy Bingo S.r.l..

2.3.1 Subsidiaries

An investor controls an investee when: (i) it is exposed, or has rights, to variable returns from its involvement with the investee and ii) it has the ability to affect those returns through its control over the investee. The existence of control is verified each time that facts or circumstances indicate a change in one of the aforementioned control criteria. Subsidiaries are consolidated using the line-by-line method, from the date that control is obtained until the date that such control ceases when it is transferred to third parties. The financial statements of all the subsidiaries have the same reporting date as the Company.



The principles adopted for line-by-line consolidation are as follows:

- the assets, liabilities, revenues and expenses of the subsidiaries are consolidated on a line-by-line basis, attributing to the non-controlling interests, where applicable, their share of equity and profit or loss for the year which are shown separately in equity and in the consolidated statement of comprehensive income;
- gains and losses including any tax effects resulting from transactions between fully consolidated Group companies, which have not been realized with third parties at the end of the reporting period, are eliminated, other than losses that result from transactions involving a reduction in value of the asset transferred. Receivables and payables, costs and revenues and finance income and expenses between companies included in the scope of consolidation are also eliminated;
- if the Group increases its shareholding in a subsidiary subsequent to assuming control, any difference between the acquisition cost and the corresponding share of equity acquired is recognized in equity attributable to owners of the parent. In the same way, if the Group reduces its shareholding in a subsidiary without a loss of control of the subsidiary, the effects are recognized in equity. If, on the other hand, as a result of the sale of shares in a subsidiary the Group loses control, the following are recognized in profit or loss:
 - any gains/losses, calculated as the difference between the consideration received and the corresponding share of net equity sold;
 - the effects of remeasuring any remaining investment to its fair value;
 - all amounts previously recognized in other comprehensive income in relation to the subsidiary over which control was lost. If, however, it is not foreseen that such amounts would be subsequently reclassified to the income statement, they are reclassified to “Retained earnings”.

The new book value of any remaining investment is the fair value at the date of loss of control and this becomes the reference value for future measurement of the investment in accordance with relevant accounting standards.

2.3.2 Business combinations

Business combinations in which control is acquired are recorded in accordance with IFRS 3–Business Combinations (“**IFRS 3**”), applying the acquisition method of accounting. Identifiable assets acquired, liabilities and contingent liabilities assumed are recognized at their fair value at the acquisition date (the “**Acquisition Date**”), except for deferred tax assets and liabilities, assets and liabilities relating to employee benefits and assets held for sale, which are recognized on the basis of the relevant accounting principles. If positive, the difference between the acquisition cost and the fair value of the assets and liabilities acquired is recognized as goodwill, if negative, after reviewing the fair value measurements of the assets and liabilities acquired, the difference is recognized directly in the consolidated statement of comprehensive income as a gain. In the event that the values of the acquired assets and liabilities are initially determined on a provisional basis, they must be confirmed within a maximum period of twelve months from the acquisition date, based solely on information relating to facts and circumstances existing at the Acquisition Date. In the period when such values are finally determined, the provisional values are adjusted retrospectively. Transaction costs are recorded in the consolidated statement of comprehensive income when incurred.

In addition to the fair value at the Acquisition Date of the assets transferred, the liabilities assumed and any capital instruments issued for the purposes of the acquisition, the acquisition cost also includes contingent consideration, or that share of the cost, the amount and timing of which are contingent on future events.

Contingent consideration is measured at fair value at the Acquisition Date; subsequent changes in fair value are recognized in the consolidated statement of comprehensive income if the contingent consideration is a financial asset or liability while, if the contingent consideration is classified as equity, the original amount is not remeasured and is recorded directly in equity when settled.

If the business combination is achieved in stages, the acquisition cost is determined by adding the fair value of the previously held equity interest and the consideration for the additional investment. Any difference between the fair value of the previously held equity interest and its acquisition-date fair value is recognized in the consolidated statement of comprehensive income. On assuming control, any amounts previously recognized in other components of comprehensive income are reclassified to the income statement or recognized under another heading in equity in the event they are not reclassified to the income statement.

Business combinations in which all the combining entities or businesses are ultimately controlled by the same party or parties, both before and after the transaction, are known as business combinations under common control. Such combinations are not governed by IFRS 3 nor by any other IFRS. In the absence of an applicable accounting standard, an accounting policy meeting the requirements of IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, regarding the provision of relevant and reliable information must be applied. Moreover, the accounting policy chosen to represent combinations under common control must reflect the economic substance of the arrangement independently of its legal form. Economic substance, therefore, is the key driver in choosing the most appropriate method to account for such combinations. Economic substance must be considered in terms of the generation of added value and significant variations in cash flows relating to the net assets transferred. It is also important to consider existing interpretations and guidance and reference is made to the Preliminary Guidance on IFRS of the Association of Italian Auditors in relation to how to account for business combinations of entities under common control in separate and consolidated financial statements.

The net assets transferred must, therefore, be recognized at the same values as their carrying amounts in the financial statements of the acquired companies or, if available, at the values reported in the consolidated financial statements of the common controlling company. In this regard, in such cases, the Company has chosen to refer to carrying amounts in the financial statements of the acquired companies.



2.3.3 Associates

Associates are those companies over which the Group exercises significant influence, which is presumed to exist when the Group holds between 20% and 50% of the voting rights. Associates are accounted for using the equity method and are initially recorded at cost. The equity method is described as follows:

- the carrying amount of such investments is aligned to the adjusted equity, where necessary, to reflect the application of IFRS and includes recognition of the higher values attributed to the assets and liabilities and goodwill, if any, identified at the date of acquisition, following a process similar to that previously described for business combinations;
- the Group's share of the investee's profit or loss is recorded starting from the date that significant influence commences until the date that influence ceases. If, as a result of losses, the investee shows negative equity, the carrying amount of the investment is reduced to zero, any additional losses are provided for and a liability is recognized only to the extent that the Group has legal or constructive obligations or is otherwise required to settle the losses. Changes unrelated to profit or loss in the equity of investees accounted for using the equity method are recognized directly in the consolidated statement of comprehensive income;
- unrealized gains and losses, generated on transactions between the Company/its subsidiaries and the investee accounted for using the equity method are eliminated to the extent of the Group's investment in the investee, except for losses, in the case in which they represent impairment of the underlying asset, and dividends, which are eliminated in full.

When indicators of impairment exist, recoverability is considered by comparing the book value of investments with their related recoverable value calculated in accordance with the criteria indicated in "Impairment of goodwill and property, plant and equipment, intangible and investment property assets". If the reasons for the impairment cease to exist, the value of the investments is reinstated up to the amount that would have been recognized had no impairment occurred, with the effect being recorded in the income statement.

The partial disposal of investments that result in loss of control or loss of significant influence over the investee are reflected in the consolidated statement of comprehensive income with:

- any gains/losses, calculated as the difference between the consideration received and the corresponding share of net equity sold;
- the effect of realigning the remaining investment to its fair value;
- all amounts previously recognized in other comprehensive income in relation to the investment to be reclassified to the income statement.

The fair value of any remaining investment, as of the date of loss of control or loss of significant influence, becomes the new book value and therefore the reference for subsequent measurement in accordance with applicable criteria.

If an investment, or share of investment, accounted for using the equity method is classified as available for sale, such investment or share of investment is no longer measured using the equity method.

2.3.4 Treatment of put options on the non-controlling interests

The Group has issued put options to minorities that give such minorities the right to sell their shares to the Group at a future date. The treatment of put options granted to minorities is not fully governed by EU IFRS. In particular, while the issuance of a put option to minorities gives rise to a liability, the corresponding entry is not defined. In this regard, in accordance with Paragraph 23 of IAS 32 - Financial Instruments: Presentation, a contract that contains an obligation for an entity to purchase its own equity instruments for cash or another financial asset gives rise to a financial liability. Such financial liability is recognized initially at the present value of the redemption amount and, in accordance with IFRS 9 – Financial Instruments ("IFRS 9"), subsequent adjustments to the financial liability are recognized in the statement of comprehensive income. In order to determine the corresponding entry to reflect the aforementioned financial liability, it is first necessary to consider whether, as part of the conditions regarding exercise of the puttable financial instrument, the risks and benefits deriving from ownership of the non-controlling interest are transferred to the controlling company or remain with the owners of the non-controlling interest, as this will determine whether the non-controlling interests subject to the put option are required to be reported. If the risks and benefits are not transferred to the controlling company by the puttable option, the non-controlling interests subject to the put option require reporting: if, on the other hand, such risks and benefits are transferred, the non-controlling interests need not be recognized in the Consolidated Financial Statements.

Given the above:

- if the non-controlling interests do not need to be recognized in the financial statements as the related risks and benefits have transferred to the controlling company, the liability relating to the put option will be reflected:
 - a) against goodwill, if the put option was granted to the seller in the context of a business combination; or
 - b) against equity attributable to the minorities, in the case in which the contract was entered into outside such context; on the other hand
- if the risks and benefits have not transferred, the corresponding entry will be to equity attributable to the owners of the parent.

2.4 Accounting policies and measurement criteria

The following paragraphs briefly describe the main key accounting policies and measurement criteria adopted in preparing the Consolidated Financial Statements.

2.4.1 Current and non-current assets and liabilities

The Group classifies an asset as current when:

- it expects to realize the asset, or intends to sell or consume it, in its normal operating cycle (12 months);
- it holds the asset primarily for the purpose of trading;
- it expects to realize the asset within twelve months after the reporting period; or
- the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

The Group classifies a liability as current when:

- it expects to settle the liability in its normal operating cycle;
- it holds the liability primarily for the purpose of trading;
- the liability is due to be settled within twelve months after the reporting period; or
- it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

2.4.2 Property, plant and equipment

Property, plant and equipment is recorded at acquisition or production cost (inclusive of any non-deductible VAT, which is recognized as a cost) net of accumulated depreciation and impairment. Acquisition or production cost includes costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating as well as any expected costs of dismantling and removing the asset and restoring it to its original condition if a contractual obligation exists. Finance expenses directly attributable to the acquisition, construction or production of property, plant and equipment requiring more than one year to construct or produce are capitalized and depreciated over the estimated useful lives of the assets to which they relate.

Expenses incurred for ordinary and/or cyclical maintenance and repairs are charged directly to the consolidated statement of comprehensive income in the year incurred. The capitalization of costs inherent to the expansion, modernization or improvement of facilities owned or used by third parties is recorded solely to the extent that they meet the conditions for being classified separately as an asset or part of an asset. Improvements to leased assets are depreciated over the duration of the relevant lease contract or over the specific estimated useful life of the asset, if less.

Depreciation is calculated on a straight-line basis over the estimated useful life of the individual assets. When an asset being depreciated is composed of separately identifiable elements with useful lives that differ significantly from the other elements that comprise the asset, depreciation is calculated separately for each element, in accordance with the component approach method.



The estimated useful life by class of property, plant and equipment is as follows:

	Estimated useful life
Gaming hardware	2-8 years
Furniture	2-8 years
Leasehold improvement	Lower of estimated useful life of the asset and duration of the relevant lease contract
Other assets	4-8 years

The estimated useful life of property, plant and equipment is reviewed and adjusted as required.

Property, plant and equipment is derecognized when it is sold or otherwise disposed of or when the expected future economic benefits no longer exist. Any gains or losses (calculated as the difference between the net sale proceeds and the net book value of the asset sold) are recognized in the consolidated statement of comprehensive income at the time the asset is derecognized.

2.4.3 Intangible assets

Intangible assets include identifiable assets without physical substance that are controlled by the Group and expected to produce future economic benefits, as well as goodwill arising on business combinations. The requirement that such assets be identifiable is normally satisfied when an intangible asset is:

- based on a legal or contractual right; or
- separable, in the sense that it may be separately sold, transferred, leased or exchanged.

Control over an intangible asset consists of the right to make use of the future economic benefits deriving from the asset and the ability to limit such access to others.

Intangible assets are initially recognized at acquisition or production cost (inclusive of any non-deductible VAT, which is recognized as a cost), including costs directly attributable to making the asset ready for use. All other subsequent costs are charged directly to profit or loss in the year incurred.

Research costs are recognized in the income statement as they are incurred. The most significant intangible assets held by the Group are as follows:

A. Goodwill

Goodwill is recognized as an intangible asset with an indefinite useful life. It is initially measured at cost, as previously described, and subsequently tested for impairment at least annually to identify if goodwill is impaired (see the following paragraph “Impairment of goodwill and property, plant and equipment, intangible and investment property assets”). Impairment losses recognized for goodwill may not be reversed in subsequent periods.



B. Intangible assets with a finite useful life

Intangible assets with a finite useful life are recognized at cost, net of accumulated amortization and impairment losses, if any. Amortization starts when the asset is available for use and is charged systematically over the residual estimated useful life; for details regarding amounts to be amortized and the recoverability of the recognized values of such assets, see the disclosures relating to “Property, plant and equipment” and “Impairment of goodwill and property, plant and equipment, intangible and investment property assets” respectively.

The estimated useful life for the various classes of intangible assets is as follows:

	Estimated useful life
Concessions	Duration of concession
Trademarks	10-30 years
Software	3-10 years or on a straight-line basis
Network relationship	4-10 years
Other intangible assets	2-5 years

2.4.4 Investment property

Properties held to earn rentals or for capital appreciation are recognized under “Investment property”; as with property, plant and equipment, such properties are stated at acquisition or production cost including any ancillary costs, net of accumulated depreciation and impairment.

2.4.5 Impairment of goodwill and property, plant and equipment, intangible and investment property assets

A. Goodwill

As noted above, goodwill is tested for impairment annually or more frequently, whenever events or changes in circumstances indicate that goodwill may be impaired, in accordance with IAS 36 (Impairment of Assets). Impairment tests are normally performed at each year end and therefore the reference date for such tests is the reporting date.

Impairment tests are carried out for each cash-generating unit (“CGU”) or group of CGUs to which goodwill has been allocated (if events or changes in circumstances indicate that goodwill may be impaired, impairment tests are performed even in the event that the process of allocating goodwill to the CGUs has not yet been completed). An impairment loss on goodwill is recognized when the CGU’s carrying amount exceeds its recoverable amount. The recoverable amount of a CGU is the higher of its fair value less costs of disposal and its value in use, being the present value of estimated future cash flows; in calculating the value in use, the estimated future cash flows are discounted to present value using a net of tax discount rate, which reflects current market assessments of the time value of money and the risks specific to the asset. If the impairment loss is higher than the carrying amount of goodwill allocated to the CGU, the excess is applied to the other assets of the CGU in proportion to their carrying amount.

The carrying amount of an asset should not be reduced below the highest of:

- the fair value of the assets less costs of disposal;
- the value in use;
- zero.

Impairment losses recognized for goodwill may not be reversed in subsequent periods even if the conditions that gave rise to such impairment loss cease to exist.

B. Property, plant and equipment, intangible and investment property assets with a finite useful life

At each balance sheet date, the Group assesses whether there are any indications of impairment of property, plant and equipment, intangible and/or investment property assets with a finite useful life. Both internal and external sources of information are used for this purpose. Internal sources include obsolescence or physical damage, significant changes in the use of the asset and the economic performance of the asset compared to estimated performance. External sources include the market value of the asset, changes in technology, markets or laws, trends in market interest rates and the cost of capital used to evaluate investments.

When indicators of impairment exist, the recoverable amount is estimated and the carrying amount of the asset reduced accordingly, with the impairment loss being charged to the consolidated statement of comprehensive income. The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. In calculating the value in use, the estimated future cash flows are discounted to present value using a net of tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For assets that do not generate cash inflows that are largely independent of those from other assets or groups of assets, the Group estimates the recoverable amount of the CGU to which the asset belongs.

If the carrying amount of an asset or the CGU to which it belongs exceeds the recoverable amount, an impairment loss is recognized in the consolidated statement of comprehensive income. Such impairment losses are allocated first to reduce the carrying amount of any goodwill allocated to the CGU or group of CGUs and then to other assets of the unit pro rata on the basis of their carrying amounts, while respecting their relative recoverable amounts. If the conditions that gave rise to an impairment loss no longer exist, the asset is revalued to the revised estimate of its recoverable amount, up to the value that would have been recorded, net of amortization, had no impairment loss been recognized, with the increase being recognized in the consolidated income statement.



2.4.6 Financial assets

On initial recognition, financial assets are classified in one of the three categories described below based on:

- the entity’s business model for managing the financial assets; and
- the contractual cash flow characteristics of the financial asset.

Financial assets are derecognized when, and only when, disposal involves the substantial transfer of all the risks and rewards of ownership of the financial asset. If, on the other hand, the company retains substantially all the risks and rewards of ownership of the financial asset, it must continue to recognize the financial asset, even if legal ownership has effectively been transferred.

A. Financial assets measured at amortized cost

Financial assets are measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a “Hold to collect” business model, the objective of which is to hold financial assets in order to collect contractual cash; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (i.e., that pass the SPPI test).

At initial recognition, such assets are measured at fair value including directly attributable transaction costs or income. Subsequent to initial recognition, such financial assets are measured at amortized cost, calculated using the effective interest method. The amortized cost method is not used for those assets (measured at historical cost) whose short-term nature means there is no requirement to discount to present value, available assets and revocable credit lines.

Financial assets measured at amortized cost, other than trade receivables, are considered to have a low credit risk if the counterparty has at least an investment grade rating or if it is considered that it is able to respect its financial obligations. For such assets, any loss allowance recognized is limited to that relating to 12 month expected credit losses.

B. Financial assets measured at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if both of the following conditions are met:

- the financial asset is held within a “Hold to collect and sell” business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (i.e., that pass the SPPI test).

This category also includes equity instruments (other than investments in subsidiaries, associates or joint ventures) not held for sale, for which the option has been exercised to designate the asset at fair value through other comprehensive income.

At initial recognition, such assets are measured at fair value including directly attributable transaction costs or income. Subsequent to initial recognition, equity interests (other than investments in subsidiaries, associates or joint ventures) are measured at fair value, with the offsetting amounts recognized in equity (Statement of comprehensive income) and not subsequently reclassified to profit or loss, even in the event of sale. Related dividends represent the only relevant component recognized in the income statement.

For securities included in this category not quoted in an active market, cost is used as an estimate for fair value under certain limited circumstances, such as when recent information to measure fair value is insufficient or there exists a broad range of possible measures of fair value and cost is considered to be the best estimate of these.

C. Financial assets measured at fair value through profit or loss

This category includes all financial assets other than those measured at amortized cost or at fair value through other comprehensive income. It includes financial assets available for sale and derivatives not classified as cash flow hedges (which are recognized as assets if the fair value is positive and liabilities if fair value is negative). At initial recognition, financial assets measured at fair value through profit or loss are measured at fair value, excluding transaction costs or income that are directly attributable to the instrument in question. Subsequently, they are measured at fair value with related gains and losses being recognized in the income statement.



2.4.7 Trade receivables

In accordance with IFRS 15 – Revenue from Contracts with Customers, trade receivables for the provision of services are recognized based on the terms of the relevant customer contract and classified according to the nature of the counterparty and/or the due date of the receivable (such definition includes invoices still to be issued for services already provided).

As trade receivables are typically short-term in nature and do not involve payment of interest, amortized cost is not calculated and they are accounted for at the nominal value stated on the invoice or in the customer contract: such arrangement is followed even for those receivables due after more than 12 months, so long as the effect is not significant. This is due to the fact that the value of short-term receivables is very similar whether the historical cost method or amortized cost method is adopted and the impact of discounting is insignificant.

Trade receivables are tested for impairment in accordance with the requirements of IFRS 9. For measurement purposes, trade receivables are categorized by due date. Performing receivables are measured collectively, grouping individual exposures based on similar credit risk. The measurement process involves reviewing losses suffered on assets with similar credit risk based on past experience and considers expected losses. Provisions are made against individually significant receivables for which an objective risk of partial or total non-collection is identified.

The Group applies the simplified approach set out in IFRS 9 to estimate the recoverability of its trade receivables.

The adjustment of estimates takes into account the risk of non-collection of receivables by applying different expected loss allowances to groups of receivables, each characterized by similar risk profiles and ageing or status of actions taken to recover doubtful receivables.

2.4.8 Inventories

Inventories are valued at lower of cost and estimated realizable value.

Obsolete stock and slow turnover inventory are written down in relation to their possibility of use or realization through the establishment of a specific provision, recognized as a direct decrease in the corresponding asset item.

2.4.9 Cash and cash equivalents

Cash and cash equivalents include cash and available bank deposits as well as short-term, highly liquid investments that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value and have original maturity, or remaining maturity at the date of purchase, not exceeding 3 months. Cash and cash equivalents are recognized at fair value with related changes recorded in the consolidated income statement. The item includes cash in the hopper of machines managed by Group companies involved in “Retail & Street Operation” product division.

2.4.10 Employee severance indemnity

The employee severance indemnity due to employees in accordance with Article 2120 of the Italian Civil Code (“TFR”) is considered a defined benefit plan. Under such plans, the amount of the benefit is only quantifiable following termination of the employment relationship and is dependent upon factors such as age, length of service and level of remuneration; for this reason, the costs charged to the income statement for a given year are determined by actuarial calculation. The liability recognized for defined benefit plans corresponds to the present value of the obligation at the reporting date. The obligations under defined benefit plans are determined each year by an independent actuary, using the projected unit credit method. The present value of defined benefit plans is determined by discounting future cash flows at an interest rate equal to high-quality corporate bonds issued in Euro which reflect the period of the relevant defined benefit plan. The actuarial gains and losses deriving from adjustments in the total liability and the effect of changes in the actuarial assumptions are recognized in the statement of comprehensive income.

With effect from 1 January 2007, the 2007 Finance Law and related decrees implementing the law introduced significant changes to the TFR regulations, including the option for each employee to choose the destination of the accruing indemnity. Specifically, employees may now allocate new TFR flows to alternative external pension plans or elect for them to be retained by the employer. If an external pension plan is chosen, the company is only obliged to make defined contributions to such plan and, accordingly, from the aforementioned date, the related new TFR flows are deemed to be payments to a defined contribution plan not subject to actuarial valuation.

2.4.11 Provisions for risks and charges

Provisions for risks and charges are recorded to cover costs and liabilities whose existence is certain or probable but which at the end of the reporting period are uncertain as to amount or as to the date on which they will arise.

Provisions are recognized only when:

- there is a current (legal or constructive) obligation for a future outflow of resources deriving from a past event;
- it is likely that the outflow of resources required to satisfy the obligation is significant;
- the amount of the obligation can be estimated reliably.

Provisions are based on best estimates at the reporting date of the present value of the expenditure required to extinguish the obligation or transfer it to third parties. If the time value of money is material and the payment date of the obligations can be reasonably estimated, provisions are calculated as the present value of the expected cash flows, taking into account the risks associated with the obligation. Increases in the amount of the provision due to changes in the time value of money are recognized as “Finance expenses” in the income statement.

Provisions are adjusted periodically to reflect changes in estimated costs, timing and discount rates. Changes to estimates are recognized in the income statement in the same account as the original provision.



2.4.12 Financial liabilities, trade payables and other payables

Financial liabilities (other than derivative financial instruments), trade payables and other payables are initially recognized at fair value, net of directly attributable transaction costs, and subsequently measured at amortized cost, with any differences being recognized over the life of the liability as required by the effective interest method. If there is a change in the estimate of expected cash flows, the liabilities are remeasured to recognize the present value of the new expected cash flows calculated using the effective interest rate as initially determined.

2.4.13 Derecognition of financial assets and liabilities

A financial asset (or part of a financial asset or part of a group of similar financial assets) is derecognized when:

- rights to the cash flows from the asset have expired;
- the Group has retained the rights to the cash flows from the asset, but has assumed an obligation to pay the cash flows from the asset to third parties, wholly and without delay;
- the Group has transferred its rights to receive the cash flows from the asset and has: (a) transferred substantially all risks and rewards of ownership of the financial asset; or (b) has neither transferred substantially all risks and rewards nor retained substantially all risks and rewards but has transferred control of the asset.

A financial liability is derecognized when the obligation underlying the liability is extinguished, annulled or fulfilled.

2.4.14 Derivative financial instruments

Derivative financial instruments are accounted for in accordance with IFRS 9.

At the inception of the contract, derivative instruments are initially recognized as financial assets at fair value through profit or loss when the fair value is positive, or financial liabilities at fair value through profit or loss when the fair value is negative. If the financial instruments are not designated as hedging instruments, any changes in fair value after initial recognition are treated as components of profit or loss for the year. If the derivative instruments meet the requirements to qualify as hedging instruments, subsequent changes in fair value are recognized according to the specific criteria described below.

A derivative financial instrument is classified as a hedge if the relationship between the hedging instrument and the hedged item is formally documented, including the risk management objectives, the hedging strategy and the methods that will be used to verify perspective and retrospective effectiveness. The effectiveness of each hedge is assessed both at the inception of the contract and during its life, specifically at each year-end and interim reporting date. A hedge is considered to be highly effective if at the start of the hedge and during subsequent periods, changes in the fair value (in the case of a fair value hedge) or expected future cash flows (in the case of a cash flow hedge) of the hedged item are substantially offset by changes in the fair value of the hedging instrument.

IFRS 9 provides for the following three types of hedging relationship:

- fair value hedge: when the hedge relates to exposure to changes in the fair value of a recognized asset or liability, changes in the fair value of the hedging instrument as well as changes in the fair value of the hedged item are recognized in profit or loss;
- cash flow hedge: in the case of hedges intended to neutralize exposure to variability in cash flows attributable to future execution of commitments in place as of the reporting date, changes in the fair value of the hedging instrument relating to the portion determined to be an effective hedge are recognized in other comprehensive income, and therefore in an equity reserve. When the economic effects of the hedged item crystallize, the amounts recognized in other comprehensive income are then reclassified to profit or loss. Changes in the fair value of the hedging instrument relating to the portion not determined to be an effective hedge are recognized immediately in profit or loss;
- hedge of a net investment in a foreign operation (net investment hedge).

If the checks do not confirm the effectiveness of the hedge, the hedge accounting is interrupted with immediate effect and the hedging derivative reclassified as a financial asset at fair value through profit or loss, or financial liability at fair value through profit or loss. Moreover, the hedging relationship shall cease when:

- the derivative matures, is sold, rescinded or exercised;
- the hedged item is sold, expires or is refunded;
- it is no longer highly probable that the future hedged transaction will take place.

2.4.15 Fair value of financial instruments

The fair value of financial instruments is determined in accordance with IFRS 13 - Fair value measurement (“IFRS 13”). Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place in the principal market for the asset or liability (i.e., the market with the highest number of transactions involving sale of such assets or transfer of such liabilities). In the absence of a principal market, it is assumed that the transaction takes place in the most advantageous market for the asset or liability to which the Group has access (i.e., the market most likely to maximize the price at which the asset can be sold or minimize the cost at which the liability can be transferred).

The fair value of an asset or liability is determined, using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. Market participants are independent, informed buyers and sellers, able and willing but not obliged to enter into transactions.

In determining fair value, the Group considers the characteristics of specific assets and liabilities and in measuring the fair value of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. Fair value



measurement of assets and liabilities is based on the use of appropriate valuation techniques applied to available data, maximizing the use of relevant observable inputs.

IFRS 13 establishes a fair value hierarchy that categorizes into three levels the inputs to valuation techniques used to measure fair value:

- Level 1: inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2: inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (e.g., for derivatives, exchange rates published by the Bank of Italy, interest rates and yield curves, implied volatilities, credit spreads based on CDS data etc.);
- Level 3: inputs are unobservable inputs for the asset or liability (management assumptions regarding financial flows, risk-adjusted spreads etc.).

2.4.16 Revenues and costs

In accordance with IFRS 15, revenues from contracts with customers are recognized when the following conditions are met:

- the contract with a customer has been identified;
- the performance obligations in the contract have been identified;
- the transaction price has been determined;
- the transaction price has been allocated to the performance obligations in the contract; and
- when the related performance obligation contained in the contract is satisfied

The Group recognizes revenue from contracts with customers when (or as) it satisfies its performance obligations, by transferring the promised goods or services (i.e., an asset) to the customer. An asset is transferred when (or as) the customer obtains control of that asset. The Group transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as it performs;
- the Group's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced;
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If a performance obligation is not satisfied over time, it is satisfied at a point in time.

Incremental costs of obtaining a contract with a customer are recognized as assets and, to the extent the Group expects to recover them, recovered over the duration of the underlying contract. The incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained shall be recognized as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained.

The Group recognizes an asset from the costs incurred to fulfill a contract with a customer only if the costs incurred in fulfilling such contract are not within the scope of another Standard (for example, IAS 2 – Inventories, IAS 16 – Property, Plant and Equipment or IAS 38 – Intangible Assets), and if such costs meet all of the following criteria:

- the costs relate directly to a contract or to an anticipated contract that the entity can specifically identify;
- the costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- the costs are expected to be recovered.

Specifically, the Group recognizes revenues as follows:

- AWP revenues are recognized net of the flat rate PREU tax and winnings paid but gross of amounts to be paid to operators and hall managers, the ADM concession fee and the deposit equal to 0.5% of bet on devices linked to the network. The Group has a single performance obligation that is considered to be satisfied at the point in time the bet is placed by the player. Costs attributable to the management of indirect AWP (i.e., those for which the Group only plays the role of concessionaire, since the AWP are owned by third parties), such as the fees paid to the owners of the AWP and to the operators, are recorded as a direct reduction of revenues. This classification was carried out in consideration of the role actually played by the Group in the management of indirect AWP, less incisive in the actual ability to influence the relative portion of revenues and, which leads to qualifying it as an “agent” rather than a “principal”;
- VLT revenues are recognized net of winnings, amounts relating to jackpots and the PREU tax, but gross of amounts to be paid to operators, the ADM concession fee and the deposit equal to 0.5% of bet on devices linked to the network. The Group has a single performance obligation that is considered to be satisfied at the point in time the bet is placed by the player;
- Revenues arising from the management of the gaming halls “Retail” are recognized based on the share of the operator. Revenues arising from the management of AWP owned by the Group “Street Operations” are recognized based on the owner's share. The Group has a single performance obligation that is considered to be satisfied at the point in time the bet is placed by the player;
- Online and Sports Franchise gaming revenues, other than the fixed-odds betting, are recognized net of winnings and the betting duties (“Imposta Unica”) but gross of costs related to the platform and the concession fee. In the case of online gaming (including online skill games), revenues are recognized net of winnings as well as the cost of bonuses and promotional offers during the period. The Group has a single performance obligation that is considered to be satisfied at the point in time the outcome of the event to which the bet relates is known.

The collection of both Sports Franchise and online fixed-odds bets (i.e., bets where the Group is exposed to pay-out risk) creates a financial liability representing potential winnings, which, in accordance with IFRS 9, is measured at fair value. Subsequent changes in the liability are recognized within revenues. The effect of fair value changes around the year-end was not significant and, therefore, neither the related revenues nor costs were recognized. Revenues are recognized net of betting duties and cost for bonus for the period.

Revenues from national totalizer betting games are recognized based on the percentage commissions set by the convention for betting operations.



Costs are recognized when they relate to goods or services sold or used in normal business activities; they are recognized either based on systematic allocation or when such goods and services have no further use. Non-deductible value added tax (IVA) is recognized as a cost.

2.4.17 Finance income and expenses

Finance income and expenses are recognized during the period to which they relate.

2.4.18 Income tax expense

Income taxes are based on an estimate of the taxable income for the year, based on current fiscal legislation, and are recognized in the income statement under “Income tax expense”, except in those cases where the tax effects of transactions are recognized directly in equity and the related amounts are charged or credited directly to equity. The consolidated statement of comprehensive income reports income taxes relating to each line item reported under “Other items that will not be classified to profit or loss”. Provision for taxes due on the transfer of non-distributed profits of subsidiaries is made only when there exists a real intention to transfer such profits.

Deferred tax assets and liabilities are calculated using the balance sheet liability method and are recognized on temporary differences between the carrying amount of an asset or a liability in the consolidated financial statements and its tax base, except for non-deductible goodwill and for those differences related to investments in subsidiaries when the reversal is under the control of the Group and it is probable that they will not reverse in the reasonably foreseeable future. Deferred tax assets, including those relating to unused tax losses carried forward, are recognized to the extent to which it is probable that future taxable profit will be available against which they can be utilized. Tax assets and liabilities are offset, separately for current and deferred taxes, when the income taxes are levied by the same tax authority, there is a legally enforceable right of offset and it is expected that the balance will be settled net. Deferred tax assets and liabilities are computed based on tax rates that are expected to apply in the period in which the asset is recovered or settled to the extent that such rates have been approved at the date of the consolidated financial statements. Other taxes not related to income, such as indirect taxes and levies are reported under “Other operating costs” in the consolidated income statement.

In the event of uncertainties over income tax treatments, the company proceeds as follows: (i) if it considers it likely that the tax authorities will accept an uncertain tax treatment, it determines the (current and/or deferred) income taxes to be reported in the financial statements based on the tax treatment that it has applied or expects to apply when filing its returns; (ii) if it concludes it is not probable that the taxation authority will accept an uncertain tax treatment, it reflects the effect of uncertainty in determining the related (current and/or deferred) income taxes to be reported in the financial statements. Moreover, with regard to the matter of uncertain tax liabilities and provisions relating to tax disputes, any potential liabilities relating to income tax disputes are reported as “Current tax payables”.

With effect from 2022, the Group extended the tax consolidation to the current Italian parent company (Lottomatica Group S.p.A.). Such entity represents the Group’s tax consolidating company for the three-year period 2022-2024.

At the end of 2023, the Group (while not adhering to the collaborative fulfillment scheme) decided to adopt the Tax Control Framework tool with the dual aim, on the one hand, to speed up and make more effective the dialogue with the tax authorities in the event of tax controls and, on the other, to improve the efficiency of the collection, measurement and tax risk management in the business processes by improving related controls and reducing the risk of claims and tax disputes.

The Tax Control Framework is the set of procedures, tools, organizational structures, standards and corporate rules aimed at allowing the conduct of the business to minimize the risk of operating in violation of tax rules, or in violation of the principles or objectives of the legal system, through an appropriate process of identifying, measuring, managing and monitoring of the main tax risks.

2.4.18.1 Disclosure of Pillar 2 effects

In 2024, the Group was included within the scope of application of the Pillar 2/GloBE rules. In particular, these rules came into force in Italy on 1 January 2024 pursuant to Legislative Decree No. 209/2023 which implements European Directive No. 2523/2022. The Italian law also implemented a “domestic top-up tax” through the adoption of the Decree of the Deputy Minister of Economy and Finance of 1 July 2024.

The Pillar II rules provide that the Group entities (wherever located) are subject to an effective income tax rate of at least 15%, to be determined on the basis of a detailed calculation based on the accounting and tax data aggregated by country. Where the tax rate in a given country is lower than 15%, this determines the application of a supplementary tax up to this value of 15% (“**Top-Up Tax**”).

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

These rules provide that no supplementary tax is due if one of the following tests is satisfied (to be performed in each country in which the Group operates):

- *De minimis test*: revenues in the jurisdiction are less than Euro 10 million and aggregate profit before tax is less than Euro 1 million;
- *Simplified effective tax rate test*: effective taxation is at least 15% (in 2024), as determined on the basis of the ratio between the aggregate values of profit/(loss) before tax (denominator) and income taxes (numerator). In this regard, the numerator represents the value of current and deferred taxes (with some specific adjustments) recorded in the reporting package of subsidiaries in a specific jurisdiction;
- *Routine profit test*: the aggregate value of the “Substance-based income exclusion” (“**SBIE**”) under the Pillar 2 rules is greater than the aggregate amount of profit/(loss) before tax. As per the OECD guidelines, where there is a loss before tax for a jurisdiction, the test is considered as positively found.

Lottomatica Group S.p.A. assumes the role of ultimate parent entity for the entire Group for Pillar II purposes. The Group has performed an analysis in relation to the possible exposure to Pillar 2



taxation in relation to the year ended 31 December 2023 and 2024. Based on the information available to date, the Group operates in 6 countries for Pillar 2 purposes, namely Italy, Serbia, Austria, the United Kingdom, Malta, and the United States. At the reporting date, the United States and Serbia have not implemented the Pillar 2 regulations while Malta has exercised the option to defer implementation of the regulations.

In relation to all countries where the Group operates in 2024, based on data available to date, the Group benefits of TSHs. Specifically;

- a) in relation to Italy, the “Simplified ETR Test” is verified;
- b) in relation to Austria, “Routine profit test” (profit before tax for the country is negative) is verified;
- c) in relation to the United Kingdom, the “De minimis test” is verified;
- d) in relation to Malta, “Routine profit test” (profit before tax for the country is negative) is verified;
- e) in relation to the United States, the “De minimis test” is verified;
- f) in relation to Serbia, the “Simplified ETR Test” is verified.

2.4.19 Earnings per share - basic and diluted

Basic earnings per share is calculated by dividing the net result attributable to the Group by the weighted average number of ordinary shares outstanding during the year, excluding treasury shares. For the purposes of calculating the diluted earnings per share, the weighted average number of shares outstanding during the year is modified by assuming the exercise by all the assignees of rights that potentially have a dilutive effect, while the result pertaining to the Group is adjusted to take into account any effects, net of taxes, of the exercise of these rights.

2.4.20 Use of accounting estimates

The preparation of financial statements in conformity with relevant accounting standards and methods in certain cases requires management to make estimates and assumptions based on subjective judgments, past experience and hypotheses considered reasonable and realistic, given the information known at the time. Such estimates have an effect on the amounts reported in the financial statements, including the consolidated statement of financial position, the consolidated statement of comprehensive income, the consolidated statement of cash flows and the related notes to the consolidated financial statements. Actual results may then differ, even significantly, from those reported in the consolidated financial statements due to changes in the factors considered in determining the estimates, given the uncertainties that characterize the assumptions on which estimates are based.

Many reported account balances are based on estimates and while not all constitute large amounts, the total of such balances is materially significant. Key accounting estimates involving a high degree of subjectivity and judgment on the part of management, where a change in the conditions underlying the assumptions could have a significant effect on the Group's financial results, are detailed below.

2.4.20.1 Share-based payments

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

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

The following table provides details of the market related data used to determine the fair value of the stock options for the first and second round of assignments.



	Vesting date	Expiration date	Strike price (Euro))	Price at valuation date (Euro)	Annual volatility	Expected dividend rate	Exit annual rate
1° assignments	15 June 2026	15 June 2028	9.00	8.214	45.36%	3.83%	0.00%
2° assignments	14 June 2027	14 June 2029	10.80	10.570	24.35%	3.81%	0.00%

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

	Average annual growth rate of the stock	Stock volatility	Discount rate	Expected dividend rate
1° assignments	3.53%	45.36%	3.53%	3.83%
2° assignments	2.98%	24.35%	2.98%	3.81%

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

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

The following table shows the fair value of the individual option rights assigned. The valuation was based on the assumption made before.

	Unit fair value (Euro)
1° assignments	2.595
2° assignments	1.852

The charge for the year ended 31 December 2024, amounting to Euro 1.3 million (Euro 0.4 million for the year ended 31 December 2023), was recognized in the income statement among Personnel costs, with a corresponding offset in equity reserves.

2.4.20.2 Provisions for risks and charges

Provisions representing the risk of a negative result are recorded for legal and tax risks. The value of the provisions recognized in the financial statements represents the best estimate as of that date made by the management. This estimate involves making assumptions which depend on factors which may change over time and, therefore, could have significant effects with respect to the current estimates made by the management in preparing the Consolidated Financial Statements.

2.4.20.3 Impairment of assets

Goodwill

The Group’s activities are divided into three operating segments: Online, Sports Franchise and Gaming Franchise. In accordance with the accounting standards used and the impairment procedure, the Group tests annually to determine whether goodwill has become impaired. The recoverable value is determined based on a calculation of value in use. This calculation requires the use of estimates. For more details on the Goodwill impairment test, please see Note 9.2 – “Goodwill”.

Property, plant and equipment and intangible assets with definite useful life

In accordance with the accounting standards applied by the Group and the impairment procedure, property, plant and equipment and intangible assets with definite useful life are subject to verification to ascertain whether impairment exists, which is recognized through a write-down, when there are indications that suggest difficulties in recovering the relative net carrying value through use. Verification of whether these indicators exist requires the Directors to make subjective assessments based on information available within the Group and on the market, as well as on historical experience. Additionally, when impairment is identified, the Group determines the amount using the appropriate measurement techniques. Proper identification of potential impairment indicators, as well as the estimation of their amount, depends on factors which may vary over time, influencing measurements and estimates made by the Directors.

2.4.20.4 Deferred tax assets

Deferred tax assets are recognized on deductible temporary differences between the carrying amount of an asset or liability in the Consolidated Financial Statements and its tax base and on unused tax losses carried forward, to the extent it is probable that future taxable profit will be available against which such deferred tax assets can be utilized. Judgment is required on the part of management, involving estimates regarding the timing and level of future taxable profits, to determine the level of deferred tax assets that should be recognized.

2.4.20.5 Allowance for doubtful receivables

The recoverability of receivables is estimated taking into account the risk of non-collection and applying different expected loss rates to groups of receivables with similar risk profiles and ageing or based on the stage of the process being followed to recover such doubtful receivables.

2.4.20.6 Depreciation and amortization

The cost of property, plant and equipment and intangible assets is depreciated/amortized on a straight-line basis over the estimated useful life of each asset. The useful economic life of these assets is determined at the time of purchase, based on historical experience for similar assets, market conditions and expected future events which may affect them, such as technological changes. An asset's actual useful life may, therefore, be different from its estimated useful life.

2.4.20.7 IFRS 16 “leases”

Right-of-use assets are measured as being equal to the related lease liabilities at the date of initial application, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the statement of financial position immediately before the date of initial application. The Group has elected to make use of the exemptions provided for in the standard in relation to short-term leases (for periods of less than 12 months, including those with residual duration of less than 12 months at the date of initial application) and low value assets (including IT equipment and office items and equipment), which in any event in total are not material. Lease payments relating to such contracts are recognized in the income statement.

Lease liabilities are measured at the present value of the outstanding lease payments at the date of first application of the standard, which are fixed over the lease term. The lease term includes the non-cancellable periods of a lease during which the Group can exercise the right of use of the leased asset, as well as periods covered by an option to extend the lease if the Group is reasonably certain to exercise such option. Lease liabilities do not include costs other than costs directly associated with the lease (e.g., management or ancillary costs).

The discount rates used to measure lease liabilities are the Group's incremental borrowing rates, which take account of country risk, currency, the duration of the lease contract and the Group's credit risk. Similar discount rates are applied to leases with similar lease terms.

2.5 Recently issued accounting standards

2.5.1 Accounting standards, amendments effective from 1 January 2024

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

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



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

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

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

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

Management is currently assessing the potential impacts that application of these standards would have on the Consolidated Financial Statements.

2.5.3 Accounting standards endorsed by the EU, but not yet applicable

At the approval date of the Consolidated Financial Statements, the competent bodies of the European Union have approved the following principles and amendments, but they have not yet been adopted by the Group:

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

The Group is evaluating the effects that the application of the aforementioned principles could have on its Consolidated Financial Statements.



3. Management of financial risks

The Group is exposed to the following risks: market risk (in particular interest rate risk), credit risk and liquidity risk. The Group is not involved in significant transactions that expose it to exchange rate risk.

The Group's objective is to maintain a balanced approach to managing its financial exposure by matching assets and liabilities and achieving operational flexibility through the use of liquidity generated by operating activities and bank loans.

The Group's ability to generate liquidity from operations together with its borrowing capacity enable it to satisfy its operational requirements to fund working capital, invest and meet its financial obligations.

Treasury and financial risk management are centralized within the Group. Specifically, the central finance function is responsible for evaluating and approving forecast financial requirements, monitoring trends and taking corrective action as necessary.

The following paragraphs provide qualitative and quantitative information relating to the Group's exposure to the aforementioned financial risks.

3.1 Market risk

3.1.1 Interest rate risk

Changes in interest rates on the variable component of debt and cash may result in higher or lower finance expenses/income. Interest rate swap derivative instruments are used in this risk management activity.

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

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

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

3.1.2 Interest rate risk sensitivity analysis

With regard to the interest rate risk arising from the potential change in the interest rates of the above mentioned bonds, a sensitivity analysis was made to determine the effect on consolidated profit and loss and consolidated equity that would result from a hypothetical positive and negative change of 100 bps in interest rates compared to those actually recognized.

The following table shows the results of the analysis carried out:

<i>(In thousands of Euro)</i>	Effect on net profit of the year		Effect on Equity	
	-100 bps	+100 bps	-100 bps	+100 bps
Sensitivity analysis				
May 2024 Notes	-	(570)	-	(570)
Total effect for the year	-	(570)	-	(570)

Note: the positive sign indicates a higher profit and an increase in equity; the negative sign indicates a lower profit and a decrease in equity.

The risk reported in the table above refers to the portion of the May 2024 Notes not covered by derivative instruments. The December 2023 Notes is entirely covered by derivative instruments and therefore it is believed that any change in interest rates would not produce any significant economic effect.



3.2 Credit risk

Credit risk represents the Group's exposure to the risk of potential losses resulting from the non-fulfilment of obligations by counterparts.

The collection of wagers by points of sale and nominated third parties may generate credit risk for the Group, as the failure of, or losses incurred by, one or more members of the distribution network or the interruption of relations with any of them for whatever reason can have a negative impact on the Group's results, business activities, financial conditions and future prospects. The Group mitigates such risk by obtaining bank and/or insurance guarantees.

In accordance with IFRS 9, trade receivables are recognized net of provisions, calculated on the basis of a risk model of non-fulfilment of obligations by counterparts, in turn based on available information regarding the counterparty's solvency and historical data, in such a way as to represent the fair value of the receivables, or expected realizable value of both already impaired receivables and those that may become impaired in the future. Provisions are made against individually significant receivables for which an objective risk of partial or total non-collection is identified.

The following table provides an ageing analysis of (current and non-current) trade receivables, net of the allowance for doubtful receivables, as of 31 December 2024 and 2023.

<i>(In thousands of Euro)</i>	As of 31 December 2024	Not yet overdue	Overdue 0-30 days	Overdue 31-90 days	Overdue 91-150 days	Overdue by more than 150 days
Trade receivables	111,987	80,822	1,971	3,124	146	25,924
Allowance for doubtful receivables	(34,002)	(4,431)	(943)	(2,558)	(146)	(25,924)
Net	77,985	76,391	1,028	566	-	-

<i>(In thousands of Euro)</i>	As of 31 December 2023	Not yet overdue	Overdue 0-30 days	Overdue 31-90 days	Overdue 91-150 days	Overdue by more than 150 days
Trade receivables	133,574	101,099	2,033	1,054	115	29,273
Allowance for doubtful receivables	(36,794)	(6,746)	(299)	(361)	(115)	(29,273)
Net	96,780	94,353	1,734	693	-	-

3.3 Liquidity risk

Liquidity risk is the risk that owing to an inability to access new funds or sell assets, the Group is unable to meet its payment obligations, leading to a negative impact on results if it is then obliged to incur additional costs to meet its obligations or deal with insolvency.

The Group manages this risk by seeking to establish a financial structure that, consistent with its business objectives and defined limits: i) ensures sufficient liquidity, while minimizing the related opportunity cost; and ii) maintains an appropriate balance in terms of duration and composition of debt.

The exposure to such risk mainly relates to the commitments associated with the bonds issued respectively on 29 May 2024 for a total amount of Euro 900 million maturing in 2030 for the fixed rate portion and in 2031 for the floating rate portion, on 14 December 2023 for Euro 500 million maturing in 2030 and on 1 June 2023 for Euro 565 million maturing in 2028, as well as with the revolving credit facility for a total of Euro 400 million (undrawn at the reporting date) and Euro 50 million available for bank guarantees.

On 29 May 2024, Lottomatica S.p.A., (merged into the Company during 2024), following the exercise of the “early redemption” option, repaid in advance the senior secured notes issued respectively on 27 September 2022 and the floating rate portion of the senior secured notes issued on 1 June 2023 for a total amount of Euro 900 million.

The following table provides an analysis of cash disbursements by due date based on contractual repayment obligations relating to the bonds, trade payables and other liabilities, as of 31 December 2024 and 2023:

<i>(In thousands of Euro)</i>	Carrying amount as of 31 December 2024	Within 1 year	Between 1 and 5 years	Over 5 years	Total
Notes	1,942,805	126,217	1,009,645	1,486,565	2,622,427
Lease payable	81,169	24,848	9,927	56,345	91,120
Other current and non-current financial liabilities	124,853	70,125	54,728	-	124,853
Trade payables	133,702	133,702	-	-	133,702
Other current and non-current liabilities	380,275	327,075	53,200	-	380,275

Note: Notes and lease payable amounts relating to due dates “Within 1 year”, “Between 1 and 5 years” and in “Over 5 years” also include the contractual interest.

<i>(In thousands of Euro)</i>	Carrying amount as of 31 December 2023	Within 1 year	Between 1 and 5 years	Over 5 years	Total
Notes	1,939,762	150,940	2,005,278	568,196	2,724,414
Lease payable	75,908	22,581	57,320	8,463	88,364
Other current and non-current financial liabilities	170,420	124,460	45,960	-	170,420
Trade payables	95,911	95,911	-	-	95,911
Other current and non-current liabilities	325,901	308,225	17,676	-	325,901

Note: Notes and lease payable amounts relating to due dates “Within 1 year”, “Between 1 and 5 years” and in “Over 5 years” also include the contractual interest.

The expected future cashflows represent future principal capital and interest payments and are not discounted. The Group expects to meet such contractual obligations through the liquidation of financial assets, as well as through cash flows from operating activities and available cash and/or refinancing operations.

3.4 Risk related to Russia-Ukraine and Israeli-Palestinian conflicts

The Group did not encounter any significant issues attributable to the ongoing Russia-Ukraine conflict in terms of procurement, production and sales. As of 31 December 2024, the Group's main suppliers and customers are located outside Russia and Ukraine.

However, it cannot be ruled out that the continuation of a situation of military conflict in Ukraine and the increase in tensions between Russia and the countries in which the Group operates could negatively affect global macroeconomic conditions and the economies of those countries, leading to a possible contraction in demand and a consequent decrease in production levels, also taking into account the continuous evolution of the sanctions framework, which is constantly monitored by the Group's management.

Also, with reference to the Israeli-Palestinian conflict, the Group specifies that all its activities are carried out in Italy and no relevant impacts arose attributable to this conflict.

3.5 Risk related to climate change

The Group considers the prevention and management of risks which could jeopardize the attainment of the Company's objectives and its ability to continue as a going concern as a strategic priority. The Group has therefore identified the main risks related to climate change or environmental issues that may have implications or an impact on its business. The potential risks identified are those arising from climate change, both in terms of physical risks, i.e. more frequent extreme weather events or gradual climate change (e.g. floods, increase in temperatures, decrease in resources, etc.) or increase in operating costs due to extraordinary maintenance activities (e.g. restoring assets to their original conditions following any damage suffered), and in terms of transition risks, i.e. related to the transition to a low-carbon economy and the resulting government policies.

However, the Group's current exposure to consequences of climate change is limited -in terms of its ability to influence its strategies and financial cash flows (see the Consolidated sustainability statement for more details).



4. Capital management

The Group's capital management is aimed at guaranteeing solid credit ratings and adequate capital indicators to support its investment plans, while meeting contractual obligations with lenders.

The Group ensures it has sufficient capital to finance its business development needs and meet operating requirements; to guarantee a balanced financial structure and minimize the total cost of capital, finances are sourced through a mix of risk capital and debt to the benefit of all stakeholders.

The Group is subject to certain restrictions in relation to certain financial liabilities (for further details see Note 9.16 - "Current and non-current financial liabilities").

Returns on capital are monitored by reviewing market trends and business performance, net of other commitments, including borrowing costs. In order to ensure the Group's going concern status, develop the business and provide an adequate return on capital, Management monitors the Group's debt to equity and debt to Adjusted EBITDA (as defined in Note 6) ratios on an ongoing basis, as well as monitoring debt with respect to business trends and expected future cash flows in the medium/long term.

Dividend policy

The Company's objective is to pursue a long-term sustainable strategy that allows an adequate return for its shareholders, while maintaining adequate funds to finance business growth and maintain a solid capital base that allows it to deal with any changes in the reference legislation and potential economic downturns. On 15 March 2023, the Company's Board of Directors approved a shareholder remuneration policy in the medium/long term, drawn up on the basis of the economic-financial perspective and the capital structure of the Company, envisaging target dividend distribution for an amount up to 30% of the consolidated net profit attributable to the Group (subject to the required approval by the shareholders' meeting), adjusted for: (i) depreciation on the higher values of the assets of the companies or business acquired recognized in the consolidated financial statements of the Group compared to the book values at the date of acquisition; (ii) non-recurring costs and income excluded from the calculation of Adjusted EBITDA, (iii) finance income and expenses which, by their nature, should not reasonably recur in the future, (iv) other non-monetary items including in finance expenses and (v) tax effects on the aforementioned adjustments. This policy is subject to the achievement of the Group's strategic investment plans, the financial and investment needs and, among other things, the compliance with any limitations from time to time set forth in the contractual documentation relating to the Group's financial indebtedness, as well as the availability of distributable profits and/or reserves resulting from the separate financial statements of the Company.



5. Financial assets and liabilities by category

The following tables show financial assets and liabilities as of 31 December 2024 and 2023 as required by IFRS 7, in accordance with the categories established by IFRS 9:

<i>In thousands of Euro</i>	Financial assets and receivables at amortized cost	Financial assets at FVTOCI	Financial liabilities and liabilities at amortized cost	Financial liabilities at FVTOCI	As of 31 December 2024
Current and non-current financial assets	32,415	18	-	-	32,433
Trade receivables	77,985	-	-	-	77,985
Other current and non-current assets	177,894	-	-	-	177,894
Cash and cash equivalents	164,156	-	-	-	164,156
Total	452,450	18	-	-	452,468
Current and non-current financial liabilities	-	-	2,137,420	11,407	2,148,827
Trade payables	-	-	133,702	-	133,702
Other current and non-current liabilities	-	-	380,275	-	380,275
Total	-	-	2,651,397	11,407	2,662,804

<i>In thousands of Euro</i>	Financial assets and receivables at amortized cost	Financial assets at FVTOCI	Financial liabilities and liabilities at amortized cost	Financial liabilities at FVTOCI	As of 31 December 2023
Current and non-current financial assets	531,044	45	-	-	531,089
Trade receivables	96,780	-	-	-	96,780
Other current and non-current assets	134,503	-	-	-	134,503
Cash and cash equivalents	294,682	-	-	-	294,682
Total	1,057,009	45	-	-	1,057,054
Current and non-current financial liabilities	-	-	2,178,551	7,539	2,186,090
Trade payables	-	-	95,911	-	95,911
Other current and non-current liabilities	-	-	325,901	-	325,901
Total	-	-	2,600,363	7,539	2,607,902

As of 31 December 2024, “Current and non-current financial liabilities” include the notes issued on 1 June 2023, on 14 December 2023 and 29 May 2024, the fair value of which amounted to Euro 594,385 thousand, Euro 508,935 thousand and Euro 925,962 thousand, respectively. As of 31 December 2023, the fair value of the notes issued on 1 June 2023, on 14 December 2023 and 27 September 2022 amounted to Euro 1,154,632 thousand, Euro 504,960 thousand and Euro 379,572 thousand, respectively.

Other financial assets and liabilities are short-term or valued at market rates and, consequently, their fair value is deemed to be substantially in line with their book value.

Fair value measurement

The fair value of financial instruments listed on an active market is based on market prices at the reporting date. The fair value of instruments that are not listed on an active market is determined using valuation techniques based on a series of methods and assumptions linked to market conditions at the date of the respective financial statements. The classification of the fair value of financial instruments on the basis of the hierarchical levels that categorize the inputs to valuation techniques used to measure fair value, is shown below:

- Level 1: inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2: inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3: inputs are unobservable inputs for the asset or liability.

The following table shows the financial instruments measured at fair value according to the relevant hierarchy level:

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

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

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

6. Operating segments

The following disclosure regarding operating segments is provided in accordance with IFRS 8 – “Operating Segments” (hereafter “**IFRS 8**”), which requires that such disclosure reflects the manner in which management manages the business and makes operational decisions. Accordingly, the operating segments and related disclosures are based on internal reporting used by management to make decisions about resources to be allocated to the various operating segments and assess performance.

IFRS 8 defines an operating segment as a component of an entity that: (i) engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity); (ii) whose operating results are regularly reviewed by the entity’s chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and (iii) for which discrete financial information is available. The Group is one of the largest operators in the Italian public gaming sector, thanks to its diversified offer of multi-concession gaming products.

The Group operates in the following operating segments: (i) online betting and gaming (“**Online**”); (ii) betting and gaming through the retail network (“**Sports Franchise**”); and (iii) concessionary activities relating to the product lines: (a) amusement with prize machines (AWP), (b) video lottery terminals (VLT), and (c) management of owned gaming halls and AWP’s (Retail & Street Operations) (“**Gaming Franchise**”).

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

Given the range of services and products sold by the Group, there are no significant concentrations of revenues with individual customers. The Group currently operates for the main part in Italy (see Note 2.3 above for details regarding overseas operations during the period).

Finally, in terms of the statement of financial position, it is noted that details of assets and liabilities by segment are not included in the information periodically reviewed by management and therefore such information is not reported below.

The following table provides details of Group operating segments for the year ended 31 December 2024 and 2023:

<i>(In thousands of Euro)</i>	Online		Sports Franchise		Gaming Franchise		Elimination		Total	
	Dec '24	Dec '23	Dec '24	Dec '23	Dec '24	Dec '23	Dec '24	Dec '23	Dec '24	Dec '23*
Revenues toward third parties	780,230	520,787	460,755	368,217	763,740	743,484	-	-	2,004,725	1,632,488
Other income toward third parties	3,206	1,972	3,623	2,832	8,122	13,725	-	-	14,951	18,529
Intragroup Revenues and Other income	22,894	24,051	6,297	8,140	8,988	12,974	(38,179)	(45,165)	-	-
Total Revenues and Income	806,330	546,810	470,675	379,189	780,850	770,183	(38,179)	(45,165)	2,019,676	1,651,017
Adjusted EBITDA	418,566	300,612	108,642	97,230	179,714	182,509	-	-	706,922	580,351
<i>Adjusted EBITDA Margin**</i>	<i>53.6%</i>	<i>57.7%</i>	<i>23.6%</i>	<i>26.4%</i>	<i>23.5%</i>	<i>24.5%</i>			<i>35.3%</i>	<i>35.6%</i>
Costs not included in Adjusted EBITDA									(76,979)	(47,421)
Of which:										
- <i>monetary</i>									(68,491)	(35,192)
- <i>non monetary</i>									(8,488)	(12,229)
Depreciation, amortization and impairments									(244,353)	(194,678)
Finance income									9,038	28,139
<i>Of which non-recurring finance income***</i>									6,215	24,402
Finance expenses									(215,400)	(220,287)
<i>Of which non-recurring finance expenses***</i>									(58,575)	(73,052)
Share of profit/(loss) of equity accounted investments									1,663	(8,965)
Profit before tax									180,891	137,139
Income tax expense									(77,052)	(63,277)
Net profit for the year									103,839	73,862

* The figures for the year ended 31 December 2023 have been restated following the completion of the purchase price allocation relating to Ricreativo B S.p.A..
** Adjusted EBITDA Margin defined as Adjusted EBITDA / Revenues toward third parties.
*** For details of non-recurring finance income and expenses, please refer to Note 8.8.

7. Business combinations and acquisition of businesses

The following paragraphs provide brief descriptions of the acquisitions that took place during the year 2024 which had the effect of extending the scope of the Group consolidation. All acquisitions were made in the context of the Group's horizontal and vertical integration strategy.

7.1 Acquisition of Kristal Palace S.r.l.

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

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



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

<i>(In thousands of Euro)</i>	Book Value at acquisition date	Purchase price allocation at acquisition date	Fair Value at acquisition date
Intangible assets	14	-	14
Property, plant and equipment	548	-	548
Right of use	1,890	-	1,890
Financial assets	295	-	295
Trade receivables	2	-	2
Inventories	30	-	30
Other assets	657	-	657
Cash and cash equivalents	156	-	156
Employee benefit liabilities	(147)	-	(147)
Financial liabilities	(2,259)	-	(2,259)
Trade payables	(203)	-	(203)
Tax payables	(12)	-	(12)
Other liabilities	(1,790)	-	(1,790)
Net acquired assets (liabilities) (A)	(819)	-	(819)
Purchase price (B)	675	-	675
Goodwill (B) - (A)	1,494	-	1,494

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

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

<i>(In thousands of Euro)</i>	
Consideration paid as of 31 December 2024	(505)
Consideration paid as of 31 December 2023	(170)
Cash and cash equivalents at acquisition date	156
Net cash flow from acquisition as of 31 December 2024	(519)

7.2 Acquisition of SKS365 Malta Holding Limited

On 24 April 2024, GBO S.p.A. finalized the acquisition of the entire share capital of SKS365 Malta Holding Limited, an omnichannel operator in the Italian online and sports betting market. The consideration for the acquisition was Euro 621.5 million including leakages and ticking fees, contractually determined, fully paid at the completion date through the release from the escrow account of proceeds related to the notes issued by Lottomatica S.p.A. (merged into the Company during 2024) on 14 December 2023, together with the available cash. SKS365 Malta Holding Limited is the parent company of the operating company SKS365 Malta Limited, which was renamed to PWO Limited following the acquisition.

The aforementioned acquisition resulted in increased revenue of approximately Euro 212.6 million and a decrease of around Euro 1.6 million in Group's net profit for the period from the acquisition date to 31 December 2024. Such amounts have been calculated based on the accounting records of the acquired company as of the date closest to the date control was assumed, namely 30 April 2024, adjusted as required to recognize any differences with respect to the accounting principles adopted by the Group (other differences relating to the period between 24 April 2024 and 30 April 2024 are not considered to be significant). If the acquisition had taken place on 1 January 2024, it would have contributed increased revenues of approximately Euro 319.6 million and a decrease of approximately Euro 20.6 million in the Group's net profit for the year ended 31 December 2024 (excluding non-recurring costs related to SKS365's management as a result of the change of control, the acquisition would have contributed to an increase of Euro 9.9 million in Group's net profit). The acquisition costs amounted to approximately Euro 10.1 million (of which Euro 1.8 million incurred in 2024).

The asset and liabilities acquired were preliminary recognized at fair value, together with goodwill amounting to approximately Euro 534.2 million, calculated as shown in the table below:

<i>(In thousands of Euro)</i>	Book Value at acquisition date	Purchase price allocation at acquisition date	Fair Value at acquisition date
Intangible assets	12,585	218,024	230,609
Property, plant and equipment	11,139	-	11,139
Right of use	3,383	-	3,383
Financial assets	931	-	931
Trade receivables	2,042	-	2,042
Deferred tax assets	13,781	-	13,781
Other assets	34,365	-	34,365
Cash and cash equivalents	29,816	-	29,816
Provisions for risks and charges	(1,039)	(5,519)	(6,558)
Employee benefit liabilities	(955)	-	(955)
Financial liabilities	(3,687)	-	(3,687)
Trade payables	(21,146)	-	(21,146)
Tax payables	(966)	-	(966)
Deferred tax liabilities	-	(63,445)	(63,445)
Other liabilities	(141,953)	-	(141,953)
Net acquired assets (liabilities) (A)	(61,704)	149,060	87,356
Purchase price (B)	621,540	-	621,540
Goodwill (B) - (A)	683,244	(149,060)	534,184



The adjustments made to the accounting values when measuring the assets and liabilities acquired at fair value mainly relate to:

- “Intangible assets” for Euro 218.0 million, of which (i) Euro 30.7 million relating to the value attributed to the “**Planetwin365**” brand and (ii) Euro 187.3 million relating to the value attributed to Betting and Online networks (hereinafter collectively “Customer relationship”);
- “Provisions for risks and charges” amounted to Euro 5.5 million related to a tax dispute of Austrian branch;
- “Deferred tax liabilities” for Euro 63.4 million, relating to the tax effect recorded on the adjustments identified.

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

<i>(In thousands of Euro)</i>	
Consideration paid as of 31 December 2024	(621,540)
Cash and cash equivalents at acquisition date	29,816
Net cash flow from acquisition as of 31 December 2024	(591,724)

7.3 Acquisition of Dea Bendata S.r.l.

On 15 May 2024, Big Easy S.r.l. finalized the acquisition of the entire share capital of Dea Bendata S.r.l., a company operating in Gaming Franchise sector. The consideration for the acquisition was Euro 1.2 million plus price adjustment. Of this amount, Euro 0.7 million was paid on the acquisition date, while Euro 0.5 million, as deferred consideration component, will be paid, upon the occurrence of certain contractual conditions, within 12 months from the acquisition date. As of 31 December 2024, the residual amount was equal to Euro 0.2 million.

The aforementioned acquisition did not have significant impacts on the Group's net profit for the period from the acquisition date to 31 December 2024. Such amounts have been calculated based on the accounting records of the acquired company as of the date closest to the date control was assumed, namely 30 April 2024, adjusted as required to recognize any differences with respect to the accounting policies adopted by the Group (other differences relating to the period between 30 April 2024 and 15 May 2024 are not considered to be significant).

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

<i>(In thousands of Euro)</i>	Book Value at acquisition date	Purchase price allocation at acquisition date	Fair Value at acquisition date
Property, plant and equipment	32	-	32
Financial assets	2	-	2
Trade receivables	5	-	5
Other assets	4	-	4
Cash and cash equivalents	325	-	325
Employee benefit liabilities	(57)	-	(57)
Trade payables	(47)	-	(47)
Tax payables	(32)	-	(32)
Other liabilities	(16)	-	(16)
Net acquired assets (liabilities) (A)	216	-	216
Purchase price (B)	1,226	-	1,226
Goodwill (B) - (A)	1,010	-	1,010

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

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

<i>(In thousands of Euro)</i>	
Consideration paid as of 31 December 2024	(976)
Cash and cash equivalents at acquisition date	325
Net cash flow from acquisition as of 31 December 2024	(651)

7.4 Acquisition of Totosì S.r.l. (formerly Macao Phygital S.r.l.)

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

The aforementioned acquisition resulted in an increase in revenue of approximately Euro 1.7 million, while it did not have significant impacts on the Group's net profit for the period from the acquisition date to 31 December 2024. Such amounts have been calculated based on the accounting records of the acquired company as of the date closest to the date control was assumed, namely 31 May 2024, adjusted as required to recognize any differences with respect to the accounting policies adopted by the Group.



The asset and liabilities acquired were recognized at fair value, together with goodwill amounting to approximately Euro 0.6 million, calculated as shown in the table below:

<i>(In thousands of Euro)</i>	Book Value at acquisition date	Purchase price allocation at acquisition date	Fair Value at acquisition date
Property, plant and equipment	162	-	162
Trade receivables	161	-	161
Other assets	266	-	266
Deferred tax assets	8	-	8
Cash and cash equivalents	449	-	449
Employee benefit liabilities	(8)	-	(8)
Trade payables	(1,051)	-	(1,051)
Other liabilities	(379)	-	(379)
Net acquired assets (liabilities) (A)	(392)	-	(392)
Purchase price (B)	250	-	250
Goodwill (B) - (A)	642	-	642

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

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

<i>(In thousands of Euro)</i>	
Consideration paid as of 31 December 2024	(250)
Cash and cash equivalents at acquisition date	449
Net cash flow from acquisition as of 31 December 2024	199

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

On 6 June 2024, Big Easy S.r.l. finalized the acquisition of the entire share capital of Il Galletto Fortunato S.r.l., a company operating in the management of Bingo halls as well as AWP and VLT devices within them. The consideration for the acquisition, amounting to Euro 1.7 million, was defined as the sum of a base price plus net financial indebtedness as determined based on contractual provisions. The consideration may be adjusted based on the actual net financial indebtedness of the company at the acquisition date. Of this amount, Euro 1.2 million was paid on the acquisition date, while Euro 0.5 million, as deferred consideration component, will be paid, upon the occurrence of certain contractual conditions, within 12 months from the acquisition date. As of 31 December 2024, the residual amount was equal to Euro 0.2 million.

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

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

<i>(In thousands of Euro)</i>	Book Value at acquisition date	Purchase price allocation at acquisition date	Fair Value at acquisition date
Property, plant and equipment	67	-	67
Financial assets	40	-	40
Right of use	475	-	475
Current tax receivables	58	-	58
Other assets	96	-	96
Cash and cash equivalents	192	-	192
Trade payables	(181)	-	(181)
Other liabilities	(76)	-	(76)
Financial liabilities	(475)	-	(475)
Net acquired assets (liabilities) (A)	196	-	196
Purchase price (B)	1,686	-	1,686
Goodwill (B) - (A)	1,490	-	1,490

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

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

<i>(In thousands of Euro)</i>	
Consideration paid as of 31 December 2024	(1,486)
Cash and cash equivalents at acquisition date	192
Net cash flow from acquisition as of 31 December 2024	(1,294)

7.6 Acquisition of Rete Gioco Italia S.r.l.

On 23 July 2024, Lottomatica Videolot Rete S.p.A. finalized the acquisition of 60% of the share capital of Rete Gioco Italia S.r.l., a company operating in the management of halls as well as AWP and VLT devices within them. The consideration for the acquisition amounted to Euro 14.9 million, plus price adjustments. Of this amount, Euro 8.7 million was paid on the acquisition date, while Euro 3.8 million will be paid within twelve months, Euro 0.6 million will be paid within twenty-four months, Euro 0.6 million will be paid within thirty-six months, Euro 0.6 million will be paid within forty-eight months and Euro 0.5 million to be paid within sixty months from the acquisition date.



The aforementioned acquisition resulted in an increase in revenue of approximately Euro 2.4 million, while it did not have significant impacts on the Group's net profit for the period from the acquisition date to 31 December 2024. Such amounts have been calculated based on the accounting records of the acquired company as of the date closest to the date control was assumed, namely 31 July 2024, adjusted as required to recognize any differences with respect to the accounting policies adopted by the Group. If the acquisition had taken place on 1 January 2024, it would have contributed higher revenues of approximately Euro 7.8 million for the year ended 31 December 2024.

The asset and liabilities acquired were recognized at fair value, together with goodwill amounting to approximately Euro 11.9 million, calculated as shown in the table below:

<i>(In thousands of Euro)</i>	Book Value at acquisition date	Purchase price allocation at acquisition date	Fair Value at acquisition date
Property, plant and equipment	1,410	-	1,410
Right of use	838	-	838
Trade receivables	294	-	294
Deferred tax assets	952	-	952
Other assets	1,085	-	1,085
Cash and cash equivalents	7,048	-	7,048
Employee benefit liabilities	(825)	-	(825)
Financial liabilities	(953)	-	(953)
Trade payables	(235)	-	(235)
Deferred tax liabilities	(781)	-	(781)
Other liabilities	(4,866)	-	(4,866)
Net acquired assets (liabilities) (A)	3,967	-	3,967
Equity attributable to non-controlling interests (B)	1,587	-	1,587
Purchase price (C)	14,268	-	14,268
Goodwill (C) - (A) + (B)	11,888	-	11,888

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

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

<i>(In thousands of Euro)</i>	
Consideration paid as of 31 December 2024	(8,685)
Cash and cash equivalents at acquisition date	7,048
Net cash flow from acquisition as of 31 December 2024	(1,637)

7.7 Acquisition of Bakoo S.p.A.

On 24 July 2024, Marim S.r.l. finalized the acquisition of the entire share capital of Bakoo S.p.A., a company operating in the development and implementation of gaming software in the AWP, VLT and online markets. The consideration for the acquisition, amounting to Euro 4.4 million, was defined as the sum of base price plus net financial indebtedness determined based on contractual provisions. Of this amount, (i) Euro 0.8 million was paid at the acquisition date (ii) Euro 1.1 million will be paid in sixty monthly installments, and (iii) the remaining part through the assignment to the seller of newly issued shares of Marim S.r.l., following the capital increase which occurred at the same time as the completion of the acquisition, for an amount of Euro 2.5 million (including share premium).

The aforementioned acquisition did not have significant impacts on the revenues and the Group's net profit for the period from the acquisition date to 31 December 2024. Such amounts have been calculated based on the accounting records of the acquired company as of the date closest to the date control was assumed, namely 31 July 2024, adjusted as required to recognize any differences with respect to the accounting policies adopted by the Group.

The asset and liabilities acquired were recognized at fair value, together with goodwill amounting to approximately Euro 4.7 million, calculated as shown in the table below:

<i>(In thousands of Euro)</i>	Book Value at acquisition date	Purchase price allocation at acquisition date	Fair Value at acquisition date
Intangible assets	414	-	414
Property, plant and equipment	22	-	22
Right of use	187	-	187
Financial assets	3	-	3
Trade receivables	66	-	66
Inventories	260	-	260
Tax receivables	1	-	1
Other assets	38	-	38
Cash and cash equivalents	2	-	2
Employee benefit liabilities	(154)	-	(154)
Financial liabilities	(964)	-	(964)
Trade payables	(167)	-	(167)
Other liabilities	(210)	-	(210)
Net acquired assets (liabilities) (A)	(502)	-	(502)
Purchase price (B)	4,245	-	4,245
Goodwill (B) - (A)	4,747	-	4,747



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

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

<i>(In thousands of Euro)</i>	
Consideration paid as of 31 December 2024	(851)
Cash and cash equivalents at acquisition date	2
Net cash flow from acquisition as of 31 December 2024	(849)

7.8 Purchase Price Allocation of Ricreativo B S.p.A.

In September 2023, GGM S.p.A. finalized the acquisition of the entire share capital of Ricreativo B S.p.A.. In accordance with IFRS 3, the provisional values of the assets acquired and liabilities assumed were then subsequently retrospectively adjusted during the twelve-month measurement period following the acquisition to recognize their fair value at the acquisition date, with such adjustment involving the recalculation of goodwill.

As a result, the assets acquired and liabilities assumed are recognized at fair value, together with goodwill amounting to approximately Euro 32.6 million, calculated as shown in the table below:

<i>(In thousands of Euro)</i>	Book Value at acquisition date	Purchase price allocation at acquisition date	Fair Value at acquisition date
Intangible assets	532	15,514	16,046
Property, plant and equipment	4,604	-	4,604
Financial assets	1,837	-	1,837
Right of use	7,573	-	7,573
Trade receivables	396	-	396
Other assets	2,387	-	2,387
Inventories	235	-	235
Cash and cash equivalents	6,620	-	6,620
Provisions for risks and charges	(65)	-	(65)
Employee benefit liabilities	(1,902)	-	(1,902)
Trade payables	(2,117)	-	(2,117)
Deferred tax liabilities	47	(4,375)	(4,328)
Tax payables	(168)	-	(168)
Other liabilities	(7,793)	-	(7,793)
Financial liabilities	(13,190)	-	(13,190)
Net acquired assets (liabilities) (A)	(1,004)	11,139	10,135
Purchase price (B)	42,723	-	42,723
Goodwill (B) - (A)	43,727	(11,139)	32,588

The adjustments made to recognize the assets acquired and liabilities assumed at their fair values mainly related to:

- “Intangible assets” of Euro 15.5 million, of which (i) Euro 3.5 million in relation to the value attributed to the “Ricreativo B” trademark and (ii) Euro 12.0 million related to the value assigned to the customer relationship;
- “Deferred tax liabilities” of Euro 4.4 million, relating to the tax effect related to such adjustments.

Based on the above, the following adjustments have been made to the consolidated statement of financial position reported as of 31 December 2023:

<i>(In thousands of Euro)</i>	Book Value at 31 December 2023	Purchase price allocation	31 December 2023 Restated
Intangible assets	561,321	15,014	576,335
Goodwill	1,481,917	(11,139)	1,470,778
Deferred tax liabilities	101,147	4,235	105,382
Retained earnings	16,989	(360)	16,629

Based on the above, the following adjustments have been made to the consolidated income statement reported for the year ended 31 December 2023:

<i>(In thousands of Euro)</i>	Book Value at 31 December 2023	Purchase price allocation	31 December 2023 Restated
Depreciation, amortization and impairments	(194,177)	(501)	(194,678)
Income tax expense	(63,418)	141	(63,277)

7.9 Acquisition of Sea S.r.l.

On 15 October 2024, Big Easy S.r.l. finalized the acquisition of the entire share capital of Sea S.r.l., a company that operates in the management of bingo halls as well as of AWP and VLT machines. The value of the acquisition equal to Euro 6.2 million, was defined as the algebraic sum of a base price and the net financial debt determined on the basis of the contractual provisions. Of this amount, (i) Euro 4.0 million were paid on the subscription date, (ii) Euro 1.0 million to be paid within six months, Euro 0.4 million to be paid within twenty-four months, Euro 0.3 million to be paid within forty-eight months and Euro 0.3 million to be paid within sixty months from the acquisition date.

The aforementioned acquisition resulted in an increase in revenue of approximately Euro 0.3 million, while it did not have significant impacts on the Group’s net profit for the period from the acquisition date to 31 December 2024. Such amounts have been calculated based on the accounting records of the acquired company as of the date closest to the date control was assumed, namely 31 October 2024, adjusted as required to recognize any differences with respect to the accounting policies adopted by the Group. If the acquisition had taken place on 1 January 2024, it would have contributed higher revenues of approximately Euro 3.3 million for the year ended 31 December 2024.



The asset and liabilities acquired were recognized at fair value, together with goodwill amounting to approximately Euro 6.3 million, calculated as shown in the table below:

<i>(In thousands of Euro)</i>	Book Value at acquisition date	Purchase price allocation at acquisition date	Fair Value at acquisition date
Intangible assets	21	-	21
Property, plant and equipment	437	-	437
Right of use	494	-	494
Financial assets	247	-	247
Inventories	42	-	42
Other assets	61	-	61
Cash and cash equivalents	613	-	613
Employee benefit liabilities	(70)	-	(70)
Financial liabilities	(821)	-	(821)
Trade payables	(287)	-	(287)
Tax payables	(99)	-	(99)
Other liabilities	(798)	-	(798)
Net acquired assets (liabilities) (A)	(160)	-	(160)
Purchase price (B)	6,178	-	6,178
Goodwill (B) - (A)	6,338	-	6,338

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

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

<i>(In thousands of Euro)</i>	
Consideration paid as of 31 December 2024	(4,000)
Cash and cash equivalents at acquisition date	613
Net cash flow from acquisition as of 31 December 2024	(3,387)



7.10 Acquisition of IMA S.r.l.

On 17 December 2024, Marim S.r.l. finalized the agreement for the acquisition of the remaining 51% of the share capital of IMA S.r.l. for Euro 0.2 million, fully paid at the acquisition date. Following this transaction, Marim S.r.l. controls 100% of the share capital of IMA S.r.l.

The aforementioned acquisition did not have significant impacts on the revenues and the Group's net profit for the period from the acquisition date to 31 December 2024. Such amounts have been calculated based on the accounting records of the acquired company as of the date closest to the date control was assumed, namely 31 December 2024, adjusted as required to recognize any differences with respect to the accounting policies adopted by the Group.

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

<i>(In thousands of Euro)</i>	Book Value at acquisition date	Purchase price allocation at acquisition date	Fair Value at acquisition date
Property, plant and equipment	1	-	1
Other assets	79	-	79
Cash and cash equivalents	340	-	340
Employee benefit liabilities	(32)	-	(32)
Trade payables	(90)	-	(90)
Other liabilities	(34)	-	(34)
Net acquired assets (liabilities) (A)	264	-	264
Purchase price (B)	192	-	192
Fair value of pre-existing interest in IMA S.r.l. (C)	184	-	184
Goodwill (B) + (C) - (A)	112	-	112

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

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

<i>(In thousands of Euro)</i>	
Consideration paid as of 31 December 2024	(192)
Cash and cash equivalents at acquisition date	340
Net cash flow from acquisition as of 31 December 2024	148

The fair value of existing 49% interest in IMA S.r.l. held by the Group amounted to Euro 0.2 million and determined a loss of Euro 0.1 million. This amount was included in the income statement item “Share of profit/loss of equity accounted investments”.

7.11 Acquisition of businesses

As part of the distribution insourcing strategy relating to the Gaming Franchise segment, the assets acquired and liabilities assumed through acquisitions of business units in the year ended 31 December 2024 are summarized below:

<i>(In thousands of Euro)</i>	Fair Value at acquisition date
Intangible assets	13
Property, plant and equipment*	3,243
Other assets	14
Cash and cash equivalents	1,647
Employee benefit liabilities	(683)
Financial liabilities	(1,768)
Trade payables	(604)
Tax payables	(24)
Other liabilities	(3,871)
Net acquired assets (liabilities) (A)	(2,033)
Purchase price (B)	15,733
Goodwill (B) - (A)	17,766

* Related to 2,605 AWP devices.

The difference between the purchase price and the fair value of the net assets acquired was recognized as goodwill allocated to the Gaming Franchise segment. As of 31 December 2024, the cash flow relating to the total consideration paid for the acquisition of the businesses amounted to Euro 7.2 million.



8. Notes to the Consolidated statement of comprehensive income

8.1 Revenues

The following table provides a breakdown of “Revenues”:

<i>(In thousands of Euro)</i>	For the year ended 31 December	
	2024	2023
Online	780,230	520,787
Sports Franchise	460,755	368,217
Gaming Franchise	763,740	743,484
of which:		
AWP	279,839	278,241
VLT	436,244	438,267
Retail and Street Operations	47,657	26,976
Total	2,004,725	1,632,488

The increase in Revenues of Euro 372.2 million for the year ended 31 December 2024, compared to the previous period, was attributable to:

- the increase in revenue in the Online segment of Euro 259.4 million mainly due to the contribution from the SKS365 Acquisition of Euro 141.7 million and the overall market growth as well as the increase in market share across all segments and brands of the Group;
- the increase in revenue in the Sports Franchise segment of Euro 92.5 million mainly related to the SKS365 Acquisition for Euro 70.9 million, partially offset by the negative impact of a high payout;
- the increase in revenue in the Gaming Franchise segment of Euro 20.3 million, mainly due to the contribution of Ricreativo B, acquired in September 2023.

8.2 Other income

“Other income” amounted to Euro 15.0 million (of which Euro 0.5 million related to SKS365) for the year ended 31 December 2024 (Euro 18.5 million for the year ended 31 December 2023) and mainly included: (i) income from services and re-charge to the sales point operators of the Gaming Franchise and Sports Franchise network; (ii) income from the re-sale of consumables and provision of services in halls (iii) income from the transfer to the supply-chain of costs incurred in relation to the acquisition of AWP NOE and NOD concession agreements; and (iv) income from compensation, indemnification and income from other operations.

8.3 Cost of services

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

<i>(In thousands of Euro)</i>	For the year ended 31 December	
	2024	2023
Distribution network compensation	(828,381)	(681,284)
Fee on gaming platform licenses	(116,691)	(88,065)
Concession Fee	(58,445)	(51,447)
Bank and insurance expenses	(48,974)	(34,237)
Marketing and advertising	(31,976)	(16,072)
Utility costs, postal and logistics costs, security services	(24,617)	(20,047)
Tax, administrative and legal consultancy costs	(18,681)	(14,741)
Technical assistance and network management	(18,058)	(16,403)
Leases and rentals	(13,687)	(7,351)
Data transmission	(8,923)	(8,566)
Pay-TV	(6,556)	(5,454)
Board of Directors remunerations and costs	(4,464)	(3,049)
Other	(34,272)	(26,043)
Total	(1,213,725)	(972,759)

Cost of services amounted to Euro 1,213.7 million for the year ended 31 December 2024 (of which Euro 158.4 million related to SKS365), an increase of Euro 241.0 million compared to Euro 972.8 million for the year ended 31 December 2023.

“Distribution network compensation” costs are mainly influenced by:

- the supply chain remuneration model (linked to a percentage of bet and/or revenue sharing mechanisms), which means that this cost item varies in line with revenues; and
- in the case of the AWP product, the pass-through nature of contracts regarding third-party owned AWP machines, which ensures that reductions in revenue (linked to the suspension of bet as a result of the health emergency) are associated with a decrease in distribution costs.

In general, other cost items are affected by the variable nature of the items in question (as they may be linked to bet trends or revenue sharing mechanisms – such as, for example, in the case of “Fee on gaming platform licenses”).

In addition to such general considerations, the following points are noted with regard to specific cost items other than “Distribution network compensation”:

- “Leases and rentals”, in line with the exemptions permitted by IFRS 16, includes fees relating to short-term lease contracts (for periods of less than 12 months, including those with residual duration of less than 12 months at the date of initial application) and lease contracts concerning low value assets;
- “Marketing and advertising expenses” increased by Euro 15.9 million (of which Euro 3.9 million related to SKS365) mainly due to costs for events at the gaming halls and other marketing campaigns;

- “Bank and insurance expenses” mainly related to the costs incurred for electronic money instruments provided to players to top up their gaming accounts. The increase was attributable to SKS365 for Euro 5.1 million and commissions on credit cards following the increase in the volumes recorded;
- The increase in the “Other expenses” is primarily attributable to costs for betting providers, costs for digital services and anti-money laundering services as well as the contribution of SKS365 Acquisition. For the remaining part, the item includes recurring costs related to employees lunch vouchers and travel reimbursement expenses, costs for temporary staffing services and other passive operations.

8.4 Personnel expenses

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

(In thousands of Euro)	For the year ended 31 December	
	2024	2023
Remuneration	(99,881)	(70,850)
Social security contributions	(26,080)	(21,131)
Other personnel costs	(9,542)	(6,397)
Total	(135,503)	(98,378)

Personnel expenses amounted to Euro 135.5 million for the year ended 31 December 2024 (of which Euro 18.4 million related to SKS365), an increase of Euro 37.1 million compared to Euro 98.4 million for the year ended 31 December 2023.

“Remuneration”, “Social security contributions” and “Other personnel costs” are stated net of capitalized personnel expenses linked to internal software development, totaling Euro 16.0 million for the year ended 31 December 2024 (Euro 12.4 million for the year ended 31 December 2023).

The item also includes the charge related to the long-term incentive plan amounting to Euro 1.3 million for the year ended 31 December 2024.

The following table shows Group employee numbers by category:

	Number as of 31 December 2024	Average number 2024	Number as of 31 December 2023	Average number 2023
Executives	59	56	50	48
Middle managers	229	203	194	176
White collar	1,571	1,562	1,417	1,304
Blue collar	393	322	262	199
Foreign employees	415	421	-	-
Total	2,667	2,564	1,923	1,727

The following table provides a breakdown of Group employees by company:

Company	Number as of 31 December	
	2024	2023
Lottomatica Group	205	7
Gamenet	159	157
Lottomatica*	-	188
GBO Italy	579	564
Gnetwork	80	39
Billions	56	60
Agesoft	12	11
Jolly Group	156	148
New Matic**	-	18
Lottomatica Videolot Rete	120	124
Big Easy	109	97
Lottomatica UK	-	1
Slottery****	-	76
GNet	-	1
Giocaonline	28	23
Lottomatica Digital Solutions	15	12
Ares	10	9
Marim	22	22
Ima	1	-
AB Games***	-	18
Betflag	105	84
Ricreativo B	210	208
Dea Bendata	5	-
Macao	2	-
Planet Entertainment	2	-
PWO –Serbia branch	385	-
PWO –Austria branch	1	-
PWO –Italian Branch	92	-
PWO Malta	29	-
Bakoo	13	-
Rete Gioco Italia	73	-
SEA	42	-
Big Easy Bingo (formerly Andrea Battistini)	156	25
Bingo Service***	-	16
Iris***	-	15
Total	2,667	1,923

* Merged into Lottomatica Group.
** Merged into Jolly Group.
*** Merged into Big Easy Bingo.
**** Merged into Big Easy.

Long-term incentive plan – Stock Option Plan

On 15 March 2023, the shareholders meeting of the Company approved the “Stock Option Plan 2023-2026” (the “**Plan**”), effective subject to the first trading date, which provides for the assignment, on an annual basis, over a three-year period of option rights granting the right to certain members of management, identified by the Board of Directors of the Company from time to time, to subscribe to the ordinary shares of the Company.

The Plan has the following objectives: (i) align the interests of the beneficiary of the Plan with those of the shareholders and investors of the Group and with the strategic plan of the Group as a whole; and (ii) incentivize the long-term retention of those members of management benefitting from the Plan.

On 15 June 2023, the Board of Directors approved the implementation of the plan regulation.

The Plan provides for the assignment to the beneficiaries of free option rights, that entitle the right to subscribe to the Company’s shares according to a 1:1 ratio (i.e., each option grants the right to subscribe one share) at a determined price (the “**Options**”), provided that the beneficiaries are still employees or directors of the Company or its subsidiaries at the time of the exercise of the Options. The Options may be assigned from 15 June 2023 until 31 December 2025. The Plan has a multian-nual duration and is subdivided into three cycles, with a three-year vesting period (the “**Vesting Period**”) for the Options granted under each cycle.

The Options granted to each beneficiary may be exercised within five years from the grant date. Of the shares resulting from the exercise of the Options, 20% of these will be subject to a one-year lock-up period from the end of the Vesting Period and another 20% to a two year lock-up period from the end of the Vesting Period.

Upon advice from the Appointments and Remuneration Committee, the Board of Directors, deter-mines the total number of Options that may be assigned to beneficiaries in each cycle and may impose performance conditions to be met by the beneficiary in order for the Options to vest. The performance measurement period will ordinarily be three years.



The following table shows the movement of the Plan for the years indicated:

<i>Number of options</i>	2024	2023
As of 1 January	2,000,000	-
Granted during the year	3,635,300	2,000,000
Forfeited during the year	(78,000)	
Exercised during the year	-	-
As of 31 December	5,557,300	2,000,000
<i>Of which vested and exercisable</i>	-	-

The following table shows the details of the assigned Options:

<i>Grant date</i>	<i>Expiry date</i>	Number of options	
		2024	2023
15-jun-23	15-jun-28	1,950,000	2,000,000
14-jun-24	14-jun-29	3,607,300	-
		5,557,300	2,000,000
Weighted average remaining contractual life of options outstanding at end of period		4.10	4.46

8.5 Other operating costs

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

<i>(In thousands of Euro)</i>	For the year ended 31 December	
	2024	2023
Purchase of goods and other purchases	(12,659)	(8,994)
Taxes and sundry duties	(5,550)	(3,903)
Entertainment expenses	(4,046)	(4,915)
Fines, penalties and losses on receivables	(1,232)	(2,302)
Other expenses	(15,990)	(20,838)
Total	(39,477)	(40,952)

The increase of “Purchase of goods and other purchases” was mainly due to the contribution of companies acquired during the year, higher expenses for the purchase of merchandising ma-terials and modernization of betting halls as well as higher costs incurred for the production of gaming hardware.

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

The decrease of “Other expenses” is attributable to the lower costs for the purchase of sharehold-ings and lower write-off costs recorded compared to the previous year.

8.6 Depreciation, amortization and impairments

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

<i>(In thousands of Euro)</i>	For the year ended 31 December	
	2024	2023*
Amortization of intangible assets	(176,104)	(137,832)
<i>Of which purchase price allocation</i>	<i>(73,079)</i>	<i>(71,241)</i>
Depreciation of property, plant and equipment	(47,146)	(39,256)
Depreciation of investment property	(27)	(27)
Impairments of property, plant and equipment and intangible assets	(244)	(553)
Depreciation of right of use	(20,832)	(17,010)
Total	(244,353)	(194,678)

* The figures for the year ended 31 December 2023 have been restated following the completion of the purchase price allocation relating to Ricreativo B S.p.A.. (see Note 7.8 above for further details).

Depreciation, amortization and impairments amounted to Euro 244.4 million for the year ended 31 December 2024 (of which Euro 29.6 million related to SKS365), an increase of Euro 49.7 million compared to Euro 194.7 million for the year ended 31 December 2023.

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

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

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

<i>(In thousands of Euro)</i>	For the year ended 31 December	
	2024	2023
Impairment of financial assets	-	(5,122)
(Provision) / release for impairment of receivables and financial assets	(243)	(2,853)
(Provision) / release for risks and charges	(785)	1,977
Total	(1,028)	(5,998)

Provisions are stated net of releases. For the year ended 31 December 2023 impairment of financial assets includes the impairment of the “Ancona Time” partnership, held by Lottomatica Videolot Rete S.p.A., of Euro 3.3 million and impairment of the convertible bonds issued by the associate iPro Inc. of Euro 1.8 million.

For further details regarding movements in the “Provision for impairment of receivables” and the “Provision for risks and charges” see Notes 9.9 and 9.17 respectively.



8.8 Finance income and expenses (net)

The following table provides a breakdown of “Finance income and expenses (net)”:

<i>(In thousands of Euro)</i>	For the year ended 31 December	
	2024	2023
Other interest income	9,038	28,139
Total finance income	9,038	28,139
Interest expense on May 2024 Notes	(26,440)	-
Interest expense on December 2023 Notes	(20,317)	(944)
Interest expense on June 2023 Notes	(54,461)	(45,344)
Interest expense on 2022 Notes	(14,124)	(34,125)
Interest expense on April 2021 Notes	-	(15,962)
Interest expense on July 2020 Notes	-	(18,627)
Amortized cost on May 2024 Notes	(990)	-
Amortized cost on December 2023 Notes	(1,513)	(65)
Amortized cost on June 2023 Notes	(17,931)	(2,919)
Amortized cost on 2022 Notes	(7,494)	(1,549)
Amortized cost on April 2021 Notes	-	(8,327)
Amortized cost on July 2020 Notes	-	(4,240)
IRS interest expense	(22,700)	(3,919)
Commission on sureties	(10,052)	(5,661)
Interest expense on Revolving Loan	(5,689)	(10,176)
Leasing interest expense	(4,296)	(3,751)
Interest expense on Gamma Bondco loan	-	(6,947)
Other interest expense	(29,393)	(57,731)
Total finance expenses	(215,400)	(220,287)
Net finance expenses	(206,362)	(192,148)

“Net finance expenses” amounting to Euro 206.3 million (of which Euro 4.8 million related to SKS365) for the year ended 31 December 2024, include non-recurring finance income of Euro 6.2 million (Euro 24.4 million for the year ended 31 December 2023) and non-recurring finance expenses of Euro 58.6 million (Euro 73.1 million for the year ended 31 December 2023).

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

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

“Amortized cost on 2022 Notes” and “ Amortized cost on June 2023 Notes” includes Euro 21.3 million relating to the acceleration of the residual unamortized costs on the Notes Repaid (as defined below), which were fully expensed as a result of their early repayment.

“Other interest expense” mainly includes the make-whole relating to the 2024 Notes Repaid (as defined below) for Euro 26.4 million.

“Other interest expense” also includes the effect of the amortized cost relating to the deferred portion of the purchase price consideration of Betflag for the year ended 31 December 2024 for Euro 0.7 million (Euro 2.8 million for the year ended 31 December 2023).

8.9 Share of loss of equity accounted investments

The following table provides a breakdown of “Share of profit (loss) of equity accounted investments”:

	For the year ended 31 December	
(In thousands of Euro)	2024	2023
Share of loss of equity accounted investments Thinkabout	-	(217)
Share of loss of equity accounted investments iPro	-	(6,383)
Share of profit/loss of equity accounted investments IMA	1,663	(2,365)
Total	1,663	(8,965)

Share of profit from investments relating to IMA S.r.l. amounted to Euro 1.7 million and mainly related to the dividend distributed by the company before the acquisition of control by Marim S.r.l., which occurred in December 2024.

8.10 Income tax expense

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

	For the year ended 31 December	
(In thousands of Euro)	2024	2023*
Current taxes	(88,788)	(78,405)
Deferred taxes Purchase price allocation	21,071	20,451
Deferred taxes	(9,335)	(5,323)
Total	(77,052)	(63,277)

* The figures for the year ended 31 December 2023 have been restated following the completion of the purchase price allocation relating to Ricreativo B S.p.A., (see Note 7.8 above for further details).

From 2022, the Company became the Group’s tax consolidating entity for the three-year period 2022-2024.

Deferred taxes mainly include:

- the release of deferred tax expenses related to the purchase price allocation for Euro 21.1 million;
- the release of deferred tax expenses on temporary differences for Euro 9.3 million.

“Current taxes”, “Deferred taxes on purchase price allocation” and “Deferred taxes” increased by Euro 10.4 million, Euro 0.6 million and Euro 4.0 million respectively compared to the previous year mainly due to the acquisition of Ricreativo B S.p.A. and SKS Malta Holding Limited.



The following table shows the reconciliation between the theoretical tax charge and the reported tax expense for the period:

Tax rate reconciliation 2024		
IRES	Taxable	Tax
Profit before tax	180,891	
Consolidation adjustment (taxable)	923,214	
Aggregate pre-tax result	1,104,105	
Theoretical income tax charge	24%	264,985
Increasing differences	82,330	19,759
Decreasing differences	(916,111)	(219,867)
Other	3,547	851
Net effect	(830,234)	(199,256)
Total (A)		65,729
Adjustments from previous years (B)		471
Italian Regional tax on productive activity (IRAP) (C)		23,945
Deferred taxes effect (D)		(11,737)
Tax effect on consolidation adjustments (E)		(1,356)
Effective income tax charge (A+B+C+D+E)		77,052

Tax rate reconciliation 2023		
IRES	Taxable	Tax
Profit before tax	137,139	
Consolidation adjustment (taxable)	146,258	
Aggregate pre-tax result	283,397	
Theoretical income tax charge	24%	68,015
Increasing differences	52,144	12,515
Decreasing differences	(79,678)	(19,123)
Other	(1,950)	(468)
Net effect	(29,484)	(7,076)
Total (A)		60,939
Adjustments from previous years (B)		-
Italian Regional tax on productive activity (IRAP) (C)		23,335
Deferred taxes effect (D)		(19,936)
Tax effect on consolidation adjustments (E)		(1,061)
Effective income tax charge (A+B+C+D+E)		63,277

8.11 Earnings per share

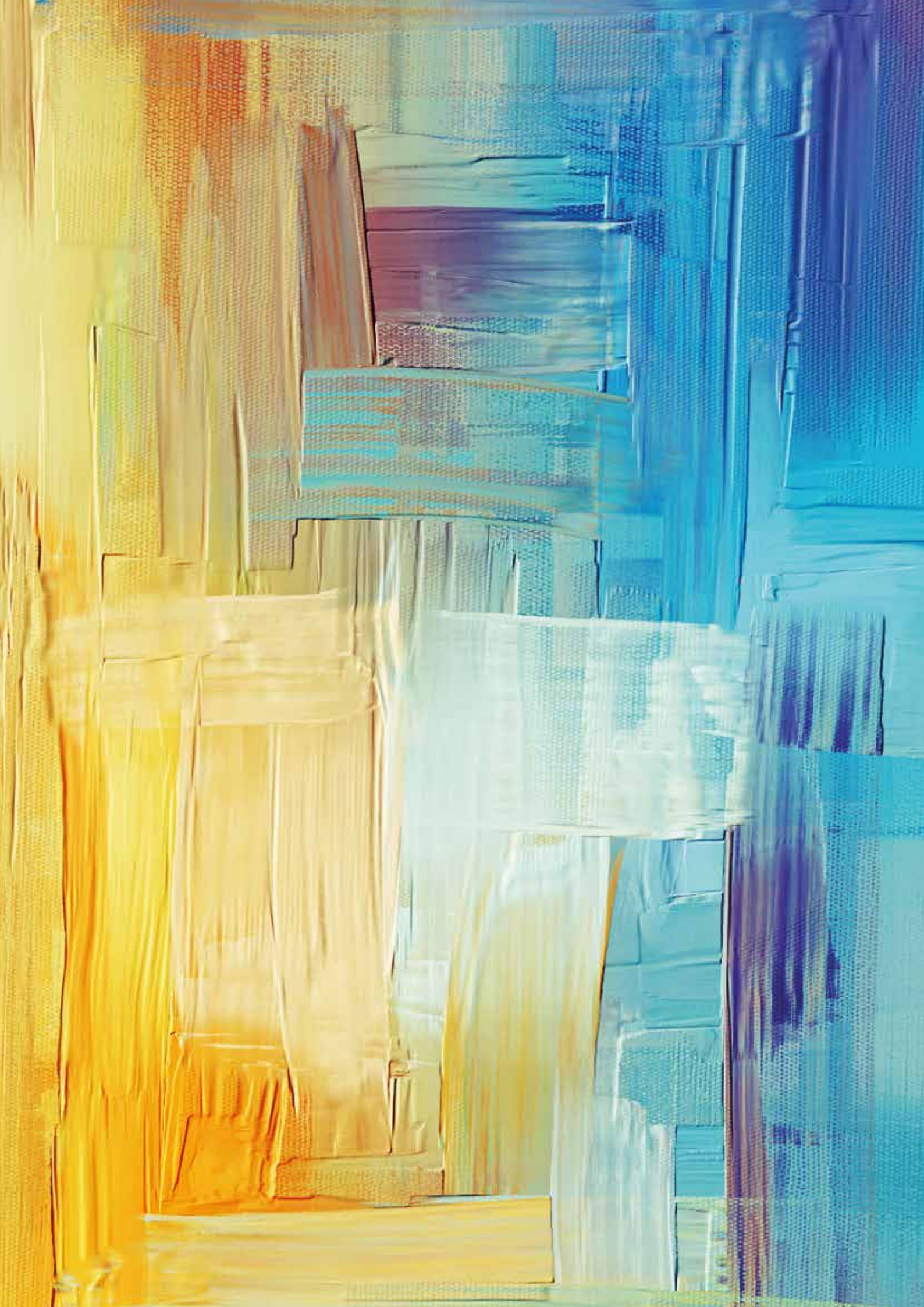
The following table provides the earnings per share, calculated as the ratio between the net result and the weighted average number of ordinary shares outstanding in the period.

	For the year ended 31 December	
	2024	2023
Net profit for the year attributable to the owners of the parent (in thousands of Euro)	98,597	67,943
Weighted average number of outstanding shares–Basic	251,630,412	234,373,124
Earnings per share – Basic and Diluted (in Euro)	0.39	0.29

Both basic and diluted earnings per share have been calculated by dividing the net result for the year attributable to owners of the parent by the average number of the Company’s outstanding shares.

The diluted earnings per share is equal to the basic earnings per share as there are no significant dilutive effects even considering the maximum number of allocated rights that may accrue at the end of the measurement period.

During 2024, the Company distributed dividends of Euro 65.4 million (Euro 0.26 per share). For the year ended 31 December 2024, the Board of Directors resolved to propose to the Shareholders’ Meeting the payment of a dividend of Euro 0.30 per ordinary share for FY 2024. Considering the shares outstanding as of today, this amounts to a total dividend distribution of Euro 75.5 million, representing a 30% pay-out ratio applied to consolidated Adjusted Net Profit, in accordance with the Group’s dividend policy.





9. Notes to the Consolidated statement of financial position

9.1 Intangible assets

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

	Software	Concessions	Trademarks	Assets under development and other intangible	Network Relationship	Total
<i>(In thousands of Euro)</i>						
Cost as of 31 December 2022	140,842	100,832	231,900	51,169	342,754	867,497
Accumulated amortization as of 31 December 2022	(80,568)	(69,155)	(29,230)	(24,671)	(59,455)	(263,079)
Net book amount as of 31 December 2022	60,274	31,677	202,670	26,498	283,299	604,418
Additions	15,866	64,350	1	19,379	-	99,596
Business combination						-
Ricreativo B	70	-	3,523	462	11,991	16,046
Iris	-	-	-	2	-	2
Business acquisition	-	1,055	-	140	-	1,195
Amortization for the year	(30,298)	(42,073)	(14,418)	(9,081)	(41,962)	(137,832)
<i>Of which purchase price allocation</i>						
Gamenet Acquisition	(14,925)	-	(4,812)	-	(10,288)	(30,025)
IGT business	-	-	(6,390)	-	(17,772)	(24,162)
Goldbet.News	-	-	-	(128)	-	(128)
Giocaonline	-	-	-	-	(988)	(988)
Marim	-	-	-	-	(390)	(390)
Betflag	-	-	(2,910)	-	(12,137)	(15,047)
Ricreativo B	-	-	(113)	-	(388)	(501)
Disposal	(53)	-	-	(6,942)	-	(6,995)
Reclassifications	3,340	(4,386)	5,345	(1,121)	(3,274)	(96)
Cost as of 31 December 2023	155,218	161,462	237,495	62,467	325,922	942,564
Accumulated amortization as of 31 December 2023	(106,019)	(110,839)	(40,374)	(33,130)	(75,867)	(366,229)
Net book amount as of 31 December 2023	49,199	50,623	197,121	29,337	250,055	576,335

	Software	Concessions	Trademarks	Assets under development and other intangible	Network Relationship	Total
<i>(In thousands of Euro)</i>						
Additions	23,624	15,510	33	33,463	-	72,630
<i>Business combination:</i>						
Kristal Palace	11	-	-	3	-	14
SKS365 Acquisition	11,248	1,260	30,802	-	187,299	230,609
Bakoo Acquisition	414	-	-	-	-	414
Sea Acquisition	-	21	-	-	-	21
Business acquisition	13	-	-	-	-	13
Amortization for the year	(21,316)	(69,661)	(16,714)	(13,220)	(55,193)	(176,104)
<i>Of which purchase price allocation</i>						
Gamenet Group	(1,249)	-	(4,812)	-	(10,288)	(16,349)
IGT business	-	-	(6,391)	-	(17,703)	(24,094)
Goldbet.News	-	-	-	(128)	-	(128)
Giocaonline	-	-	-	-	(990)	(990)
Marim	-	-	-	-	(391)	(391)
Betflag	-	-	(2,918)	-	(12,170)	(15,088)
Ricreativo B	-	-	(342)	-	(1,162)	(1,504)
SKS365	-	-	(2,048)	-	(12,487)	(14,535)
Disposal	48	231	(2)	(6,420)	-	(6,143)
Reclassifications	6,840	2,303	(2,302)	(6,677)	-	164
Cost as of 31 December 2024	174,565	180,901	266,397	78,282	513,221	1,213,366
Accumulated amortization as of 31 December 2024	(104,484)	(180,614)	(57,459)	(41,796)	(131,060)	(515,413)
Net book amount as of 31 December 2024	70,081	287	208,938	36,486	382,161	697,953

“Software” mainly relates to costs incurred in relation to: the purchase of software licenses required for collection and bet management activities, including software costs determined on completion of the Gamenet Group acquisition; the purchase and upgrade of software to support the alignment of the systems used to manage the network of AWP and VLT devices; and the upgrade of the SAP-ERP system. Additions mainly related to the purchase of application software for Euro 9.6 million, for the upgrade of the ERP system for Euro 7.8 million and the purchase of software licenses for collection and bet management activities for Euro 2.8 million.

“Concessions” includes the cost of VLT licenses acquired by the Group over time as well as costs incurred in relation to the award of public gaming concession rights. Additions mainly related to the extension of the Sports Franchise concessions until 31 December 2024. The decrease in the item is entirely attributable to the amortization of the year.



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

“Assets under development and other intangible” mainly relates to software development for Euro 12.2 million, during the period as well as capitalization of NOE and Entry Fees for Euro 21.2 million (of which Euro 3.3 million related to the SKS365 Acquisition).

No impairment indicators were identified at the reporting date.

9.2 Goodwill

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

<i>(In thousands of Euro)</i>	Total
Balance as of 31 December 2022	1,428,719
Acquisitions	42,059
Balance as of 31 December 2023*	1,470,778
Acquisitions	577,785
Balance as of 31 December 2024	2,048,563

* The balance as of 31 December 2023 has been restated as reported in Note 7.8 above.

The increase of “Goodwill” mainly relates to the SKS365 Acquisition for Euro 534.2 million. For the remaining part, the increase is attributable to the business acquisitions carried out in the period and to price adjustments relating to previous acquisitions. For details regarding acquisitions, see Note 7–“Business combinations and acquisition of businesses”.

The following table provides a breakdown of “Goodwill” by CGU:

<i>(In thousands of Euro)</i>	As of 31 December	
	2024	2023
Online	1,229,250	749,263
Sports Franchise	405,929	351,090
Gaming Franchise	413,384	370,425
Total	2,048,563	1,470,778

The group of cash-generating units (CGUs) to which goodwill is allocated, representing the level at which it is monitored by Company management, corresponds with the operating segments, described in detail in Note 6 - “Operating segments”, which contain all of the products and services provided by the Group.

In accordance with IAS 36, goodwill is not amortized and is tested for impairment annually, or more frequently if facts or circumstances indicate that the asset may be impaired. Impairment testing is performed by comparing the carrying amount and the recoverable amount of the CGU (for a description of the methodology followed for the impairment test, please refer to Note 2.4.5 (a) -Ac-

counting policies and measurement criteria). The recoverable amount of the CGU is the higher of its fair value less costs to sell and its value in use.

The assumptions used in this process represent management’s best estimate for the period under consideration. The estimate of the value in use of the group of CGU for purposes of performing the annual impairment test was based on the following assumptions:

- The expected future cash flows covering the period from 2025 to 2029 have been derived from the Group’s business plan approved by the Board of Directors on 13 December 2024. In particular the estimate, which is based on past and expected future growth, considers expected (a) bets, (b) Adjusted EBITDA, (c) capital expenditure, (d) the hypothesis of continuous renewal of betting rights and ADI concessions beyond the current deadline of 31 December 2024, taking into account the information currently available in relation to the law and the current trading scenarios. These cash flows relate to the CGU in its condition when preparing the financial statements and exclude the estimated cash flows that might arise from restructuring plans or other structural changes. Bet volumes and mix, used for estimating the future cash flows, are based on assumptions that are considered reasonable and sustainable and represent the best estimate of expected conditions regarding market trends for the groups of CGU over the period considered.
- The expected future cash flows include a normalized terminal period used to estimate the future results beyond the time period explicitly considered, which were calculated by using the latest available forecast data. The growth rate used is equal to 2.0% (1.0% as of 31 December 2023), the same for all the groups of CGU.
- The expected future cash flows have been discounted using a post-tax discount rate, determined by using a base WACC of 8.20% (9.25% as of 31 December 2023), the same for all the groups of CGU, which represents the weighted average of the cost of own capital and the after-tax effect of borrowing.

Based on the impairment tests performed, the estimated recoverable amounts for all CGU groups exceeded their related book values at the reporting date.

Sensitivity analyses were also conducted to check the effects of a change in certain significant parameters on the impairment test results, such as: an increase in WACC to 9.20%, a decrease in the growth rate to 0% and a decrease in the Adjusted EBITDA of 5.0%. Each parameter would individually not result in any goodwill impairment of the operating segments, to which goodwill had been allocated.

9.3 Property, plant and equipment

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

<i>(In thousands of Euro)</i>	Gaming Hardware	Other assets	Furniture	Leasehold improvements	Assets under development and payments on account	Total
Cost as of 31 December 2022	93,490	30,594	21,800	38,372	14,744	199,000
Accumulated depreciation as of 31 December 2022	(55,376)	(13,823)	(7,915)	(19,197)	-	(96,311)
Net book amount as of 31 December 2022	38,114	16,771	13,885	19,175	14,744	102,689
Additions	14,220	8,883	4,719	10,280	2,788	40,890
Business combination						
Ricreativo B	2,532	410	919	734	9	4,604
Bingo Service	-	53	-	173	-	226
Iris	-	30	5	107	-	142
Business acquisition	1,660	67	5	-	-	1,732
Disposals	(705)	(249)	(537)	(346)	(52)	(1,889)
Depreciation for the year	(20,008)	(6,336)	(3,916)	(8,996)	-	(39,256)
Reclassifications	414	3,051	265	1,178	(4,812)	96
Cost as of 31 December 2023	105,716	42,020	27,788	51,256	12,677	239,457
Accumulated depreciation as of 31 December 2023	(69,489)	(19,340)	(12,443)	(28,951)	-	(130,223)
Net book amount as of 31 December 2023	36,227	22,680	15,345	22,305	12,677	109,234
Additions	17,776	20,669	8,302	14,208	9,429	70,384
Business combination						
Kristal Palace	-	456	43	49	-	548
Dea Bendata	-	7	19	6	-	32
Galletto Fortunato	-	67	-	-	-	67
Macao Phygital	102	2	-	-	58	162
SKS365 Acquisition	-	6,585	3,204	1,350	-	11,139
Bakoo Acquisition	10	5	7	-	-	22
Rete Gioco Italia Acquisition	1,314	89	4	3	-	1,410
IMA Acquisition	-	1	-	-	-	1
Sea Acquisition	-	196	84	157	-	437
Business acquisition	3,113	49	81	-	-	3,243
Disposals	(392)	(449)	(412)	402	(58)	(909)
Depreciation for the year	(20,539)	(11,679)	(5,451)	(9,477)	-	(47,146)
Reclassifications	821	799	224	715	(2,723)	(164)
Cost as of 31 December 2024	115,257	67,827	38,357	64,517	19,383	305,341
Accumulated depreciation as of 31 December 2024	(76,825)	(28,350)	(16,907)	(34,799)	-	(156,881)
Net book amount as of 31 December 2024	38,432	39,477	21,450	29,718	19,383	148,460

“Gaming hardware” includes investments in AWP and VLT devices as well as cash desks and other IT equipment for owned halls and hardware equipment for betting halls. Additions mainly relate to the purchase of (i) AWP game cards for Euro 10.8 million; (ii) hardware equipment and devices in betting shops for Euro 6.0 million.



“Other assets” mainly comprises new storage systems, network hardware for the Data Centers and other IT equipment for VLT halls. Additions mainly related to the purchase of iCash devices for Euro 4.2 and My Pay for Euro 0.3 million, to facilities and equipment in the halls amounting to Euro 5.3 million, the purchase of office equipment and IT security equipment for Euro 3.5 million.

“Furniture” included furniture and fittings for owned betting agencies and VLT halls. Additions mainly relates to the redevelopment and optimization project of the gaming halls.

“Leasehold improvements” included investments for the upgrading of gaming and betting halls. Additions are mainly linked to the completion of the works on the halls that have become operational and the set-up of new corners in the halls.

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

No impairment indicators were identified at the reporting date.

9.4 Right of use

The following table provides a breakdown “Right of use”:

<i>(In thousands of Euro)</i>	Land,Buildings and Offices	Gaming halls	Vehicles	Other	Right of Use
Balance as of 31 December 2022	15,098	44,441	2,174	340	62,053
Business Combination					
Ricreativo B	2,066	2,796	402	2,309	7,573
Bingo Service	-	237	-	-	237
Iris	-	145	-	-	145
Depreciation	(3,323)	(11,686)	(1,365)	(636)	(17,010)
Additions	647	15,674	3,293	-	19,614
Disposal	-	(3,055)	(2)	-	(3,057)
Other movements	(1,671)	1,671	2	(2)	-
Balance as of 31 December 2023	12,817	50,223	4,504	2,011	69,555
Business Combination					
Kristal Palace	-	1,890	-	-	1,890
Galletto Fortunato	-	475	-	-	475
SKS365 Acquisition	77	3,263	43	-	3,383
Bakoo	187	-	-	-	187
Rete Gioco Italia	730	-	108	-	838
SEA	-	494	-	-	494
Depreciation	(4,164)	(13,607)	(2,670)	(391)	(20,832)
Additions	6,407	13,335	5,152	-	24,894
Disposal	(866)	(4,041)	(26)	(1,553)	(6,486)
Balance as of 31 December 2024	15,188	52,032	7,111	67	74,398

The Group leases office buildings, gaming halls, vehicles and other assets. Lease contracts typically provide for a lease term of 1-6 years but may include the option to renew the lease to maximize flexibility in terms of contract management. Most renewal and withdrawal options may be exercised only by the Group and not by the respective lessor. The contracts do not provide for covenants and leased assets are not used to guarantee borrowing. Right of use assets are amortized on a straight-line basis over the shorter of the estimated useful life of each asset and the lease term.

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

The following table provides a breakdown of “Payables for leasing”:

Payables for leasing	Total
Balance as of 31 December 2022	68,215
Business Combination	
<i>Ricreativo B</i>	7,573
<i>Bingo Service</i>	237
<i>Iris</i>	145
Additions	19,614
Disposal	(3,264)
Lease payment	(20,363)
Leasing financial expenses	3,751
Balance as of 31 December 2023	75,908
Business Combination	
<i>Kristal Palace</i>	1,890
<i>Galletto Fortunato</i>	475
<i>SKS365 Acquisition</i>	3,687
<i>Bakoo</i>	187
<i>Rete Gioco Italia</i>	838
<i>SEA</i>	494
Additions	24,895
Disposal	(6,825)
Lease payment	(24,676)
Leasing financial expenses	4,296
Balance as of 31 December 2024	81,169



9.5 Investment property

Investment property relates to a property owned in via Liegi, Rome. Movements related solely to annual depreciation as shown in the following table:

<i>(In thousands of Euro)</i>	Total
Balance as of 31 December 2022	489
Depreciation	(27)
Balance as of 31 December 2023	462
Depreciation	(27)
Balance as of 31 December 2024	435

9.6 Current and non-current financial assets

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

<i>(In thousands of Euro)</i>	As of 31 December	
	2024	2023
Cash held by operators	23,293	25,399
Escrow account	5,174	503,296
Merchant accounts and restricted cash	429	230
Interest rate swap assets	18	45
Other	3,519	2,119
Total	32,433	531,089

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

“Cash held by operators” mainly relates to cash in machines (i.e., in the hoppers and change machines) owned but managed by third parties, amounting to Euro 7.3 million, Euro 11.9 million and Euro 3.6 million, respectively, as of 31 December 2024 (Euro 7.2 million, Euro 13.9 million and Euro 3.5 million, respectively as of 31 December 2023).

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

<i>(In thousands of Euro)</i>	As of 31 December 2024	Of which current	As of 31 December 2023	Of which current
Cash held by operators	23,293	23,293	25,399	25,399
Escrow account	5,174	5,174	503,296	503,240
Merchant accounts and restricted cash	429	201	230	230
Interest rate swap assets	18	18	45	45
Other	3,519	1,710	2,119	1,561
Total	32,433	30,396	531,089	530,475



9.7 Equity accounted investments

As of 31 December 2024, the Group did not hold any equity accounted investments (Euro 0.3 million as of 31 December 2023). In particular:

- in February 2024, the associate Thinkabout S.r.l. was liquidated. The related investment had been fully written down during 2023;
- on 19 December 2024, Gamenet PRO S.r.l. completed the sale of the 19.7% equity investment held in iPRO Inc. During 2023, the Group had recorded a full write-down of the investment;
- on 17 December 2024, Marim S.r.l. finalized the acquisition of the remaining 51% of the share capital of IMA S.r.l.. Following this transaction, Marim S.r.l. controls 100% of the share capital of IMA S.r.l. and therefore the company was consolidated using the full method (for further details, see Note 7.10).

9.8 Inventories

The following table provides a breakdown of “Inventories”:

<i>(In thousands of Euro)</i>	As of 31 December	
	2024	2023
Finished products and goods	1,478	1,495
Total	1,478	1,495

Inventories amount to Euro 1.5 million as of 31 December 2024 and 2023 respectively and mainly relate to inventories of Marim S.r.l., Bakoo S.r.l. and Ricreativo B S.p.A..

9.9 Current and non-current trade receivables

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

<i>(In thousands of Euro)</i>	As of 31 December	
	2024	2023
Concessionaire’s receivables from operators/TIR	73,954	90,984
Receivables from betting operators	20,648	26,531
Receivables from customers	7,253	6,156
Other receivables from distribution network	7,187	7,241
Receivables guaranteed by formal commitments	2,572	2,219
Receivables for penalties and interest on delayed payments	373	443
Allowance for doubtful receivables	(34,002)	(36,794)
Total	77,985	96,780

“Concessionaire’s receivables from operators/TIR” mainly comprises receivables relating to collection activities (mainly PREU, concession fees and other amounts owing to the concessionaires). As of 31 December 2024, Euro 32.7 million relates to Gamenet S.p.A and Euro 41.3 million relates to Lottomatica Videolot Rete S.p.A., (Euro 39.5 million and Euro 51.5 million as of 31 December 2023 respectively).

“Receivables from betting operators” relates to the amounts owing to GBO Italy S.p.A for bet collection activities, net of compensation due to the supply chain.

“Other receivables from distribution network” mainly relates to jackpot amounts not yet disbursed, tickets awaiting validation by halls, receivables relating to compensation for permits and receivables relating to contract termination penalties.

“Receivables from customers” mainly relates to the receivables of Marim for the sale of AWP and VLT hardware and to the receivables of Giocaonline for the provision of gaming platforms and other technical services.

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

<i>(In thousands of Euro)</i>	
Balance as of 31 December 2022	34,624
Provisions net of releases	2,606
Utilization	(436)
Balance as of 31 December 2023	36,794
Acquisitions	3,628
Provisions net of releases	243
Utilization	(5,827)
Reclassification	(836)
Balance as of 31 December 2024	34,002



9.10 Deferred tax assets and deferred tax liabilities

The following tables provide a breakdown of movements in “Deferred tax assets” and “Deferred tax liabilities”:

<i>(In thousands of Euro)</i>	As of 31 December 2023	Changes in the scope of consolidation	Charges/ releases to the income statement	Charges/ releases to the statement of comprehensive income	Other movements	As of 31 December 2024
Deferred tax assets						
Provisions for risks and charges	1,105	8	230	-	-	1,343
Allowance for doubtful receivables	8,352	-	(1,812)	-	-	6,540
Tangible and intangible assets	6,556	1,086	(3,175)	-	-	4,467
Tax losses	2,739	13,781	(3,522)	-	-	12,998
IFRS 16	327	-	(30)	-	-	297
Cash flow hedge reserve	1,824	-	-	928	-	2,752
Other	2,946	-	(1,205)	-	69	1,810
Total deferred tax assets	23,849	14,875	(9,514)	928	69	30,207
Deferred tax liabilities						
Intralot trademark software and right to use	(765)	-	314	-	-	(451)
PPA	(127,889)	(63,445)	20,757	-	-	(170,577)
Employee benefit liabilities	(646)	-	-	(98)	-	(744)
Other	69	-	-	-	(69)	-
Total deferred tax liabilities	(129,231)	(63,445)	21,071	(98)	(69)	(171,772)
Total deferred tax liabilities, net	(105,382)	(48,570)	11,557	830	.	(141,565)

<i>(In thousands of Euro)</i>	As of 31 December 2022	Changes in the scope of consolidation	Charges/ releases to the income statement	Charges/ releases to the statement of comprehensive income	Other movements	As of 31 December 2023
Deferred tax assets						
Provisions for risks and charges	3,916	-	(1,930)	-	(881)	1,105
Allowance for doubtful receivables	8,389	-	261	-	(298)	8,352
Tangible and intangible assets	11,518	47	(2,913)	-	(2,096)	6,556
Tax losses	1,956	-	4	-	779	2,739
Put Jolly	397	-	(432)	-	35	-
IFRS 16	284	-	43	-	-	327
Cash flow hedge reserve	-	-	-	1,824	-	1,824
Other	2,524	-	(356)	-	778	2,946
Total deferred tax assets	28,984	47	(5,323)	1,824	(1,683)	23,849
Deferred tax liabilities						
Intralot trademark software and right to use	(437)	-	314	-	(642)	(765)
PPA	(143,761)	(4,235)	19,996	-	111	(127,889)
Employee benefit liabilities	(604)	-	-	(42)	-	(646)
Cash flow hedge reserve	(5,663)	-	-	5,663	-	-
Other	(2,125)	-	-	-	2,194	69
Total deferred tax liabilities	(152,590)	(4,235)	20,310	5,621	1,663	(129,231)
Total deferred tax liabilities, net	(123,606)	(4,188)	14,987	7,445	(20)	(105,382)

Deferred tax assets and deferred tax liabilities are presented on a net basis in the Consolidated Statement of Financial Position. Deferred tax assets related to tax losses incurred by Group companies prior to their inclusion in the tax consolidation are classified as deferred tax asset.

“Deferred tax liabilities” mainly reflects the effects of the purchase price allocation process for the acquisitions made by the Group in previous years.

The temporary differences reported above will reverse during 2025 and later years, except for the tax losses, which may be carried forward indefinitely.

Tax losses accrued in relation to which no deferred tax assets have been recognized by the Group amounted to Euro 29 million. Deferred tax assets on the aforementioned unrecognized tax losses amounted to Euro 9.7 million, of which (i) Euro 83 thousand for Bakoo S.p.A.; (ii) Euro 1 thousand for Dea Bendata S.r.l.; (iii) Euro 63 thousand for Ima S.r.l.; (iv) Euro 863 thousand for Planet Entertainment S.r.l.; and (v) Euro 8.7 million for PWO Limited.

The deferred tax asset not recorded at the Group level in relation to items other than tax losses amounted to Euro 281 thousand for PWO Limited (with respect to unutilised capital allowances in Malta amounted to Euro 803 thousand).

9.11 Other current and non-current assets

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

<i>(In thousands of Euro)</i>	As of 31 December	
	2024	2023
Gaming online accounts	56,458	36,144
ADM guarantee deposits	52,087	53,465
Accrued income and prepayments	22,940	16,472
Gaming halls receivables	16,351	15,230
Guarantee deposits	13,811	4,274
Tax receivables	12,681	4,451
Other receivables	3,566	4,467
Total	177,894	134,503

“ADM guarantee deposits” represents 0.5% of amounts waged using devices connected to the online network. Such deposits are reimbursed to the Concessionaire when certain service levels are achieved.

“Gaming online accounts” refers to bank deposits related to the amounts paid into online accounts by players. In accordance with the terms of the concession, specific bank accounts must be used for the safekeeping and management of these amounts, and for this reason they are classified as other assets. The increase is mainly attributable to the consolidation of the SKS365 Acquisition for Euro 13.4 million.

“Accrued income and prepayments “ mainly include the recognition of prepaid expenses on arrangement fees and underwriting fees for the Revolving Credit Facility and prepaid expenses for the costs related to the sureties paid against the concessions’ renewals. The increase of Euro 6.5 million is mainly attributable to the consolidation of SKS365 for Euro 4.5 million and higher multi-year insurance costs.

“Gaming halls receivables” mainly relates to activities of Retail and Street Operations relating to AWP and VLT betting collection from the network.

The increase of “Tax receivables” is mainly attributable to the consolidation of the SKS365 Acquisition for Euro 4.0 million and receivables from Piano Nazionale Ripresa e Resilienza (“PNRR”).

The following table provides a summary of key information relating to other current and non-current assets:

<i>(In thousands of Euro)</i>	<i>As of 31 December 2024</i>	<i>Of which current</i>	<i>As of 31 December 2023</i>	<i>Of which current</i>
Gaming online accounts	56,458	56,458	36,144	36,144
ADM guarantee deposits	52,087	52,087	53,465	53,465
Accrued income and prepayments	22,940	14,247	16,472	8,207
Gaming halls receivables	16,351	16,351	15,230	15,198
Guarantee deposits	13,811	9,443	4,274	686
Tax receivables	12,681	10,340	4,451	2,255
Other receivables	3,566	3,153	4,467	4,200
Total	177,894	162,079	134,503	120,155

9.12 Tax receivables and payables

As of 31 December 2024, “Tax receivables”, amounting to Euro 2.2 million (Euro 0.9 million as of 31 December 2023), represents tax receivables in relation to IRES (for companies not in scope of tax consolidation) and IRAP taxes for the year, net of related payables.

“Tax payables”, amounting to Euro 23.1 million as of 31 December 2024 (Euro 4.6 million as of 31 December 2023) were mainly related to (i) amounts due in respect of IRES and IRAP, net of related receivables, by the Group companies included in the tax consolidation, and (ii) the liability for the tax litigation of PWO Limited Austrian branch for approximately Euro 6.1 million. For further details see Note 11.7.3.



9.13 Cash and cash equivalents

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

<i>(In thousands of Euro)</i>	<i>As of 31 December</i>	
	2024	2023
Bank deposits	130,299	267,550
Cash on hand	33,857	27,132
Total	164,156	294,682

“Cash on hand” includes cash in the machines (i.e., in the hoppers and change machines) owned and managed by the Group companies involved in “Retail & Street Operation” product division, amounting to Euro 18.1 million as of 31 December 2024 (Euro 12.6 million as of 31 December 2023).

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

9.14 Shareholders’ equity

9.14.1 Share capital

The Company’s share capital amounted to Euro 10,000 thousand as of 31 December 2024 and was divided into 251,630,412 ordinary shares without nominal value (unchanged from 31 December 2023).

9.14.2 Reserves and retained earnings

A description of the movement of reserves and retained earnings can be found in the Consolidated Statement of Changes in Equity.

The share premium reserve amounts to Euro 368.4 million as of 31 December 2024. This reserve originates from the capital increase on the listing of the Company on 3 May 2023. During 2024, this reserve decreased by Euro 65.4 million following the distribution of dividends approved by the Company’s shareholders’ meeting on 9 April 2024.

The “Share premium reserve” is stated net of the transaction costs of the capital increase and the associated tax effect.

Other reserves amount to Euro 37.5 million as of 31 December 2024 unchanged compared to 31 December 2023.

9.14.3 Equity attributable to non-controlling interests

Equity attributable to non-controlling interests represents the interest of third parties in the companies controlled by the Group. Related movements in such non-controlling interests are reported in the Consolidated Statement of Changes in Equity.

Equity attributable to non-controlling interests increased by Euro 4.3 million during the year ended 31 December 2024. The increase is mainly related to the acquisition of Rete Gioco Italia S.r.l., Bakoo S.p.A., the minority shares of New Matic S.r.l. and the Fox Service S.r.l. branch. This increase was partially offset by the effect on equity attributable to non-controlling interests resulting from the acquisition of the minority shares of Billions Italia S.r.l. and from dividends to non-controlling interests.

9.15 Employee benefit liabilities

The following table provides a breakdown of “Employee benefit liabilities”:

<i>(In thousands of Euro)</i>	
Employee benefit liabilities	Total
Balance as of 31 December 2022	17,979
Business combination	2,047
Service cost	2,792
Interest cost	707
Advances and benefits paid	(1,335)
Actuarial gains/(losses)	(174)
Balance as of 31 December 2023	22,016
Business combination	2,932
Service cost	3,363
Interest cost	765
Advances and benefits paid	(1,938)
Actuarial gains/(losses)	(408)
Balance as of 31 December 2024	26,730

The increases for the year ended 31 December 2024 are mainly related to the integration of SKS365 and Rete Gioco Italia into the scope of consolidation, while the decreases are related to advance and benefits paid (in the event of disposals or retirements) which occurred during 2024.

The following tables detail the main financial and demographic assumptions adopted in the actuarial calculations:

Financial assumptions	As of 31 December	
	2024	2023
Discount rate	3.38%	3.17%
Inflation rate	2.00%	2.00%
Annual TFR increase	3.00%	3.00%
Annual salary increase	Executives 2.50%	Executives 2.50%
	Middle managers 1.00%	Middle managers 1.00%
	White collar 1.00%	White collar 1.00%
	Blue collar 1.00%	Blue collar 1.00%

Demographic assumptions	
Mortality rate	ISTAT 2022
Disability	INPS (social security) tables by age and gender
Retirement	100% on reaching AGO requirements
Annual turnover and frequency of advance payments	
Frequency of advance payments	0.50%
Turnover rate	10.00%

The following table shows the results of sensitivity analyses performed for each actuarial assumption, highlighting the effects (in absolute terms) that would have occurred upon reasonable possible changes, as of 31 December 2024, in actuarial assumptions:

<i>(In thousands of Euro)</i>	
Change in assumption	Amount
Turnover rate +1.00%	26,768
Turnover rate -1.00%	26,620
Inflation rate +0.25%	27,048
Inflation rate -0.25%	26,356
Discount rate +0.25%	26,260
Discount rate -0.25%	27,151

The average financial duration of the obligation as of 31 December 2024 was 10.5 years. The following table provides a summary overview of expected plan disbursements:

Expected disbursements	
Years	<i>(In thousands of Euro)</i>
1	3,897
2	3,427
3	3,313
4	3,525
5	3,512



9.16 Current and non-current financial liabilities

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

<i>(In thousands of Euro)</i>	As of 31 December	
	2024	2023
May 2024 Notes	890,096	-
December 2023 Notes	487,737	486,188
June 2023 Notes	556,258	1,088,327
2022 Notes	-	342,506
Accrued interest – May 2024 Notes	3,652	-
Accrued interest – December 2023 Notes	1,707	944
Accrued interest – June 2023 Notes	3,355	6,156
Accrued interest – 2022 Notes	-	15,641
Payables for leasing	81,169	75,908
Put option liability	56,614	49,518
Payables for acquisitions	51,129	93,868
Bank borrowings	2,561	4,384
Interest Rate Swap liabilities	13,147	8,937
Other financial payables	1,402	13,713
Total	2,148,827	2,186,090

“Current and non-current financial liabilities” included:

- notes issued on 1 June 2023, 14 December 2023 and 29 May 2024 for principal amounts of Euro 565 million, Euro 500 million and Euro 900 million respectively, recognized at amortized cost. Transaction costs incurred for the main part included professional fees related to the notes issue as well as the discount on issue (the latter in relation to the December 2023 Notes). It should be noted that during 2024, Lottomatica S.p.A. (merged into the Company during 2024) early repaid the notes issued on 27 September 2022 and the floating portion signed on 1 June 2023 for a total of Euro 900 million;
- bank borrowings mainly relating to existing financing of Ricreativo B for Euro 2.1 million;
- the Interest Rate Swap liability, mainly related to the fair value of the derivative contracts of a total notional amount of Euro 775 million to partially hedge the risk linked to a potential change in the interest rate of the floating rate May 2024 and December 2023 Notes (as defined below). The total fair value is a negative amount of Euro 11.4 million as of 31 December 2024. The cash flow hedge reserve is negative, net of the related tax effect, for Euro 8.7 million as of 31 December 2024 (negative for Euro 5.7 million as of 31 December 2023);
- the put option liability, recognized at its present value of Euro 56.6 million as of 31 December 2024 (Euro 49.5 million as of 31 December 2023), based on the best estimate of the disbursement to acquire the residual share capital from non-controlling shareholders;
- the remaining payables outstanding in relation to the acquisitions of Goldbet (now GBO Italy), Ricreativo B, Rete Gioco Italia, Sea and the acquisition of certain businesses.

With regard to the acquisition of GoldBet (now GBO Italy), the payable relating to the deferred price component amounted to Euro 27.6 million as of 31 December 2024 (Euro 29.7 million as of 31 December 2023), of which Euro 5 million deposited in an escrow account.

It should be noted that Euro 2.4 million was paid on 4 December 2024.

The payable relating to the deferred price component for the acquisition of Rete Gioco Italia S.r.l. amounted to Euro 5.7 million as of 31 December 2024.

The payable relating to the deferred price component for the acquisition of Ricreativo B amounted to Euro 2.5 million as of 31 December 2024. The repayment of this payable is expected in 24 monthly instalments from the date of completion of the acquisition.

The payable relating to the deferred price components of the acquisitions of Sea S.r.l. amounted to Euro 2.2 million as of 31 December 2024.

The payable relating to the deferred price components of other acquisitions amounted to Euro 13.1 million as of 31 December 2024.

- payables relating to the lease liabilities recognized following the adoption of IFRS 16, representing the present value of the remaining lease payments as of 31 December 2024, including accrued finance expenses and charges contractually provided for as of such date. For further details see Note 2.4.20.7 above.
- Other payables, amounting to Euro 1.4 million as of 31 December 2024. The item amounted to Euro 13.7 million as of 31 December 2023 and are mainly related to commitment fees on the bridge facility and the payables for underwriting fees incurred for the issuance of the December 2023 Notes.

There are no non-current financial liabilities due over 5 years, other than the December 2023 Notes, the May 2024 Notes and a residual part of lease liabilities.

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

<i>(In thousands of Euro)</i>	As of 31 December 2024	Of which current	As of 31 December 2023	Of which current
Notes	1,934,091	-	1,917,021	-
Accrued interest on Notes	8,714	8,714	22,741	22,741
Payables for acquisitions	51,129	46,840	93,868	90,159
Payables for leasing	81,169	21,552	75,908	18,592
Put option liability	56,614	18,348	49,518	16,861
Interest Rate Swap liabilities	13,147	1,740	8,937	1,398
Bank borrowings	2,561	1,795	4,384	2,329
Other financial payables	1,402	1,402	13,713	13,713
Total	2,148,827	100,391	2,186,090	165,793



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

<i>(In thousands of Euro)</i>	As of 31 December 2023	Cash flow from financing activities	Non-cash changes	As of 31 December 2024
Notes	1,917,021	(10,857)	27,927	1,934,091
Accrued interest on Notes	22,741	(129,370)	115,343	8,714
Payables for acquisitions	93,868	(60,852)	18,113	51,129
Payables for leasing	75,908	(24,676)	29,937	81,169
Put option liability	49,518	-	7,096	56,614
Interest Rate Swap liabilities	8,937	(22,357)	26,567	13,147
Bank borrowings	4,384	(2,871)	1,048	2,561
Other financial payables	13,713	(13,793)	1,482	1,402
Total	2,186,090	(264,776)	227,513	2,148,827

<i>(In thousands of Euro)</i>	As of 31 December 2022	Cash flow from financing activities	Non-cash changes	As of 31 December 2023
Notes	1,543,390	366,606	7,025	1,917,021
Accrued interest on Notes	35,913	(128,173)	115,001	22,741
Gamma Bondco loan	250,000	(250,000)	-	-
Accrued interest on Gamma Bondco Loan	23,375	(30,322)	6,947	-
Payables for acquisitions	94,284	(21,532)	21,116	93,868
Payables for leasing	68,215	(20,363)	28,056	75,908
Put option liability	1,773	-	47,745	49,518
Interest Rate Swap liabilities	81	(2,602)	11,458	8,937
Bank borrowings	840	(1,436)	4,980	4,384
Other financial payables	-	(1,981)	15,694	13,713
Total	2,017,871	(89,803)	258,022	2,186,090

9.16.1 May 2024 Notes

On 29 May 2024, Lottomatica S.p.A. (merged into the Company during 2024) issued senior secured notes for a total principal of Euro 900 million (the **“May 2024 Notes”**), of which (i) Euro 500 million bearing interest at a fixed annual rate of 5.375%, to be paid semiannually, commencing on 1 December 2024 maturing in 2030, and (ii) Euro 400 million bearing interest equal to the sum of three-month EURIBOR (with a 0% floor) plus 3.250% per annum to be paid quarterly, commencing on 1 September 2024 and maturing in 2031. The May 2024 Notes were admitted to listing on the Euro MTF market organized and managed by the Luxembourg Stock Exchange and the Euronext Access Milan segment (previously known as ExtraMOT) of Borsa Italiana.

Collateral posted as security in relation to the May 2024 Notes included liens on the following: (i) material bank accounts of the Company, (ii) receivables in respect of certain material intercompany loans owed to the Company, (iii) all of the issued share capital of GGM S.p.A. held by the Company, and (iv) all of the issued share capital of GBO S.p.A. held by the Company. Ratings as of the issue date were as follows: BB-(S&P) and Ba3 (Moody’s).

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

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

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

9.16.2 June 2023 notes

On 1 June 2023, Lottomatica S.p.A. (merged into the Company during 2024) issued senior secured notes for a total principal of Euro 1,115 million of which (i) Euro 565 million bearing interest at a fixed annual rate of 7.125%, to be paid semiannually, commencing on 1 December 2023 (the **“June 2023 Notes”**), and (ii) Euro 550 million issued below par (at 99%), bearing interest equal to the sum of three-month EURIBOR (with a 0% floor) plus 4.125% per annum to be paid quarterly, commencing on 1 September 2023. The notes were admitted to listing on the Euro MTF market organized and managed by the Luxembourg Stock Exchange and the ExtraMOT Pro segment of Borsa Italiana and mature in 2028. As previously reported, the floating portion of this notes, for Euro 550 million, was repaid during 2024.

Collateral posted as security in relation to the June 2023 Notes included liens on the following: (i) receivables in respect of certain material intercompany loans owed to Lottomatica Group (if any), (ii) material bank accounts of the Company, (iii) the entire share capital of GGM S.p.A. held by the Company (iv) all of the issued share capital of GBO S.p.A. held by the Company, and (iv) all of the issued share capital of GBO S.p.A. held by the Company. Ratings as of the issue date were as follows: BB-(S&P) and Ba3 (Moody’s).

Proceeds from the notes issue were used to finance (i) the early repayment of the senior secured notes issued on 1 April 2021 and 23 July 2020 for a total principal amount of Euro 1,115 million in addition to accrued and unpaid interest; and (ii) the make-whole payment due to early repayment.

The June 2023 Notes (or a portion thereof) can be reimbursed in advance, under the conditions described below:

i) until 1 June 2025, the issuer is required to repay a total of 100% of the principal amount reimbursed plus the Fixed Rate Applicable Premium, plus unpaid interest due; ii) if reimbursed between 1 June 2025 and 31 May 2026, the issuer is required to repay a total of 103.5625% of the principal amount reimbursed plus the Additional Amounts, plus unpaid interest due; iii) if reimbursed between 1 June 2026 and 31 May 2027, the issuer is required to repay a total of 101.7813% of the principal amount reimbursed plus the Additional Amount, plus unpaid interest due; and iv) if reimbursed in advance but from 1 June 2027 onwards, the issuer is required to repay the principal amount reimbursed plus the Additional Amount and unpaid interest due.

9.16.3 December 2023 notes

In order to finance the SKS365 Acquisition, on 14 December 2023 Lottomatica S.p.A. (merged into the Company during 2024) issued senior secured notes (the “December 2023 Notes”) for a principal amount of Euro 500 million, issued below par (at 99.5%) bearing interest equal to the sum of the three-month EURIBOR (with a floor of 0%) plus 4.000% per annum to be paid quarterly from 1 March 2024. The December 2023 Notes were admitted to listing on the Euro MTF market organized and managed by the Luxembourg Stock Exchange and the Euronext Access Milan segment (formerly ExtraMOT) of Borsa Italiana and mature in 2030.

Collateral posted as security in relation to the December 2023 Notes included liens on the following: (i) receivables in respect of certain material intercompany loans owed to Lottomatica Group (if any), (ii) material bank accounts of the Company, (iii) the issued share capital of GGM S.p.A. and GBO S.p.A. held by the Company, and (iv) all of the issued share capital of GBO Italy S.p.A. held by the GBO S.p.A. Ratings as of the issue date were as follows: BB-(S&P) and Ba3 (Moody’s).

The issuer may repay in advance, in whole or in part, the December 2023 Notes at any time from 15 December 2024, paying an amount equal to 100% of the notional amount to be reimbursed in addition to the Additional Amount and the accrued interest not yet paid.



9.16.4 Revolving credit facility

On 3 May 2023, Lottomatica S.p.A. (merged into the Company during 2024), the lenders party thereto, UniCredit S.p.A., as security agent, inter alia, entered into a revolving credit facility agreement of Euro 350 million in addition to an incremental facility provided by Deutsche Bank S.p.A. of Euro 50 million as a guarantee facility thereunder available for bank guarantees. In addition, with the issuance of the December 2023 Notes and the completion of the SKS365 Acquisition, the revolving credit facility was increased to Euro 400 million (“Revolving Credit Facility”).

The Revolving Credit Facility matures on the earliest of the date falling six months prior to maturity of the notes issued or 3 May 2028, if earlier. Interest on the loan is set at Euribor plus a spread. The agreement provides that the spread may be reduced over time in line with variations in the ratio between senior secured indebtedness net of cash and cash equivalents and EBITDA (i.e., the Consolidated Senior Secured Debt Ratio defined in the Revolving Credit Facility agreement) on a consolidated basis, as shown in the following table:

Consolidated Senior Secured Debt Ratio*	Annual spread (%)
> 2.3:1	3.5
≤ 2.3:1 e > 1.8:1	3.25
≤ 1.8:1 e > 1.3:1	3.0
≤ 1.3:1 e > 0.8:1	2.75
≤ 0.8:1	2.5

*As defined contractually.

The agreement provides that the Consolidated Senior Secured Debt Ratio should be calculated for the first time three calendar quarters after the closing date of 3 May 2023 and subsequently each quarter with regard to the preceding twelve months. The Consolidated Senior Secured Debt Ratio must not exceed 5.22:1 and is not valid if the utilizations do not exceed 40% of the revolving credit facility (the “Test Condition”, as defined contractually). The spread to be applied to amounts drawn down under the Revolving Credit Facility is adjusted based on the aforementioned ratio. The spread applicable at the current date in the event of utilizing the Revolving Credit Facility is 3.50%. As of 31 December 2024, the Test Condition is not met as the revolving credit facility was not utilized.

Collateral for the Revolving Credit Facility included securities on the following: (i) receivables in respect of certain material intercompany loans in respect of which Lottomatica Group is a creditor (if any); (ii) material bank accounts of the Company; (iii) the shares in GGM S.p.A. held by the Company; (iv) the shares in GBO S.p.A. held by the Company; (v) the shares in Gamenet S.p.A. held by its shareholder GGM S.p.A.; (vi) the shares in GBO Italy S.p.A. held by its shareholder GBO S.p.A. and (vii) the shares in Lottomatica Videolot Rete S.p.A. held by its shareholder GGM S.p.A.

In line with normal market practice in such cases, the terms and conditions of the Revolving Credit Facility also require that the Group comply with a series of restrictions regarding its right to undertake certain operations, unless specific restrictive covenants or specific exceptions provided for contractually are complied with.

Right to take on or guarantee further borrowing

Other than in certain exceptional cases, the Group may only take on or guarantee further borrowing if it complies with certain requirements in terms of: a) the Fixed Charge Coverage Ratio or Consolidated Total Debt Ratio (in the case of non-secured debt); b) the Consolidated Senior Secured Debt Ratio in the case of secured debt, as shown below:

a) non-secured debt:

Covenants	Description*	Contractual value
Fixed Charge Coverage Ratio	EBITDA** / Fixed Charge**	>= to 2.0
Or		
Consolidated Total Debt Ratio	Total Indebtedness net of Cash and Cash Equivalents** / EBITDA**	<= to 3.15

* On a consolidated basis.
** As defined contractually.

b) secured debt:

Covenants	Description*	Contractual value
Consolidated Senior Secured Debt Ratio	Senior Secured Total Indebtedness net of Cash and Cash Equivalents** / EBITDA**	<= to 2.90

* On a consolidated basis.
** As defined contractually.

The above ratios must be calculated at the time the Group intends to take on or guarantee further borrowing. The above conditions, however, do not prohibit the Group from taking on certain other specific borrowing set out in the contractual conditions of the Revolving Credit Facility and the notes issued.

Right to distribute dividends

The terms and conditions of the Revolving Credit Facility and the notes issued provide that the Group may make certain types of payment, including the distribution of dividends and distribution of reserves to shareholders, solely within certain limits and under certain specific conditions that are defined both for “Restricted Payments”, for “Permitted Payments” as well as the use of additional specific baskets.

Ratings

As of the reporting date, Standard & Poor’s had assigned Lottomatica Group S.p.A. a BB-rating and Moody’s a Ba3 rating.

The contracts relating to the notes outstanding as of 31 December 2024 provided that certain of the aforementioned restrictions and covenants no longer apply if the notes achieve investment grade status, defined as a credit rating of BBB-or higher (S&P) and Baa3 or higher (Moody’s).



Net Financial Indebtedness

The following is a breakdown of the Group’s Net Financial Indebtedness as of 31 December 2024 compared with the situation as of 31 December 2023 determined in accordance with Consob Communication DEM/6064293 of 28 July 2006, as amended by Consob Communication No. 5/21 of 29 April 2021 and in accordance with ESMA Recommendations contained in “Guidelines 32-382-1138 of 4 March 2021 on disclosure requirements under the prospectus regulation”.

(In thousands of Euro)	As of 31 December	
	2024	2023
A. Cash	164,156	294,682
B. Cash equivalent	-	-
C. Other current financial assets	30,396	530,475
D. Liquidity (A+B+C)	194,552	825,157
E. Current financial debt	3,155	15,305
F. Current portion of non-current financial debt	97,236	150,488
G. Current Financial Indebtedness (E+F)	100,391	165,793
H. Net Current Financial Indebtedness (G-D)	(94,161)	(659,364)
I. Non-current financial debt	114,345	103,276
J. Debt instruments	1,934,091	1,917,021
K. Non-current trade and other payables	-	-
L. Non-Current Financial Indebtedness (I+J+K)	2,048,436	2,020,297
M. Net Financial Indebtedness - ESMA (H+L)	1,954,275	1,360,933

For a description on the Group’s net financial indebtedness, please refer to the Director’s Report.

Derivative financial instrument and hedge accounting

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

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

and (ii) 2.59% with quarterly settlement, first payment date on 1 March 2024 and termination date 1 December 2026 for the Deutsche Bank AG derivative contract.

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

9.17 Provisions for risks and charges

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

<i>(In thousands of Euro)</i>	Total
Balance as of 31 December 2022	27,845
Business combination	107
Provisions/ (Releases)	(1,977)
Reclassifications	(5,041)
Other movements	(16,043)
Balance as of 31 December 2023	4,891
Business combination	6,709
Provisions/ (Releases)	785
Utilizations	(58)
Other movements	(6,163)
Balance as of 31 December 2024	6,164

Provision for risks and charges mainly includes (i) the provisions made by Gamenet and Lottomatica Videolot Rete for non-compliance with the concession-holder network management service level obligations provided for in Annex 2 of the Concession Agreement (Euro 1.8 million as of 31 December 2024); (ii) the “Provision for technological renewals”, which represents periodic provisions made by the Group’s AWP and VLT concession-holders for technological and structural upgrading of the online network and other infrastructures used for gaming-related collection activities (Euro 0.9 million as of 31 December 2024); and for the residual part (iii) the provision for legal disputes, to cover estimated costs relating to disputes, including labor-related disputes, with third parties (Euro 3.4 million as of 31 December 2024).

9.18 Other current and non-current liabilities

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

<i>(In thousands of Euro)</i>	As of 31 December	
	2024	2023
Payables to tax authorities for PREU	96,807	97,377
Other payables to tax authorities	80,475	18,996
Players’ online accounts	56,458	36,144
Public gaming taxes	49,794	31,377
Payables to employees	21,969	18,762
Concession fee payables	14,880	15,248
Payables to distribution network for guarantees	14,014	16,251
Provision for Jackpot and VLT tickets to be validated	11,810	11,649
Payables to other concessionaires for bets/wagers collection	9,248	7,204
Payables to INPS	8,862	8,542
Other payables	15,958	64,351
Total	380,275	325,901

“Payables to tax authorities for PREU” included the balance relating to the sixth period of each year, which is paid in January of the following year.

Players’ online accounts” included the amount paid by players into online accounts at the reference date, equal to Euro 23.8 million as of 31 December 2024 for GBO Italy S.p.A. (Euro 19.7 million as of 31 December 2023), Euro 18.7 million as of 31 December 2024 for Betflag (Euro 16.4 million as of 31 December 2023) and Euro 13.4 million as of 31 December 2024 for SKS365.

“Public gaming taxes” as of 31 December 2024 included the gaming tax balance owing in respect of December 2024, which was paid in January 2025.

As of 31 December 2024 and 2023, “Other payables to tax authorities” included payables for withholdings made as a substitute tax on the salaries and fees of agents and professionals used by the Company, the VAT payable as well as payables for taxes on VLT winnings. The increase is mainly attributable to the SKS365 Acquisition for Euro 55.6 million, of which Euro 53.3 million relates to payments due to tax authorities following the application for facilitated adhesion to the pending dispute filed in 2023 on tax notices related to betting duties.

“Payables to employees” and “Payables to INPS” included amounts due in respect of “fourteenth month” salary payments, holiday pay, holidays and additional hours worked, reimbursements, overtime and contributions due but not yet paid as of the reporting date.

“Payables to distribution network for guarantees” related to guarantees from third party operators who perform collection activities.

“Concession fee payables” mainly related to the concession-fee owing in respect of the sixth period of 2024, which was paid in January 2025.

“Provision for Jackpot and VLT tickets to be validated” included amounts provided in respect of jackpots that had not yet been won and VLT tickets issued as of the reporting date but not yet cashed by players, who have 90 days in which to collect their winnings before they are paid over to the ADM as required by the concession.

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

It also includes payables relating to sports bets, amounting to Euro 4.1 million as of 31 December 2024 (Euro 5.6 million as of 31 December 2023). The item also included payables related to jackpots of casino games, poker and bingo totaling Euro 4.2 million.

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

<i>(In thousands of Euro)</i>	<i>As of 31 December 2024</i>	<i>Of which current</i>	<i>As of 31 December 2023</i>	<i>Of which current</i>
Public gaming taxes	49,794	49,794	31,377	31,377
Other payables to tax authorities	80,475	41,225	18,996	17,621
Players' online accounts	56,458	56,458	36,144	36,144
Payables to tax authorities for PREU	96,807	96,807	97,377	97,377
Payables to employees	21,969	21,969	18,762	18,602
Payables to distribution network for guarantees	14,014	261	16,251	360
Provision for Jackpot and VLT tickets to be validated	11,810	11,810	11,649	11,649
Payables to INPS	8,862	8,862	8,542	8,542
Payables to other concessionaires for bets/wagers collection	9,248	9,235	7,204	7,204
Concession fee payables	14,880	14,880	15,248	15,248
Other payables	15,958	15,774	64,351	64,102
Total	380,275	327,075	325,901	308,226



9.19 Current trade payables

The following table provides a breakdown of “Current trade payables”:

<i>(In thousands of Euro)</i>	<i>As of 31 December</i>	
	<i>2024</i>	<i>2023</i>
Invoices to be received	65,582	48,749
Trade payables	33,876	25,709
Payables to operators	28,972	16,049
Payables relating to remuneration in respect of collection activities -VLT	2,659	3,548
Payables relating to remuneration in respect of collection activities -AWP	2,613	1,856
Total	133,702	95,911

“Payables relating to remuneration in respect of collection activities” mainly comprised payables due to the relevant parties in the supply chain.

“Payables to operators” mainly relate to contractual performance-related amounts due to network operators of GBO Italy S.p.A..

“Current trade payables” is mainly affected by the SKS365 Acquisition for Euro 32.8 million.



10. Transactions with related parties

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

- iPro Inc. and IMA S.r.l. (until the date of acquisition of control by Marim S.r.l.) (“Associates”);
- Key Management Personnel (for further details, please refer to the paragraph below);
- Apollo Capital Solutions Europe B.V. (“Other related parties”).

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

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

As of 31 December 2023						
<i>(In thousands of Euro)</i>	Associates	Key management personnel	Other related parties	Total related parties	Total reported amount	Related party % of total
Current financial liabilities	-	-	560	560	165,793	0.3%
Current trade payables	214	-	-	214	95,911	0.2%
Current trade receivables	3	-	-	3	95,825	0.0%
Other current liabilities	-	2,379	-	2,379	308,226	0.8%

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

For the year ended 31 December 2024					
<i>(In thousands of Euro)</i>	Associates	Key management personnel	Total related parties	Total reported amount	% of total
Personnel expenses	-	(6,380)	(6,380)	(135,503)	4.7%
Other income	10	-	10	14,951	0.1%
Other operating costs	(71)	-	(71)	(39,477)	0.2%

For the year ended 31 December 2023						
<i>(In thousands of Euro)</i>	Subsidiaries of shareholders	Associates	Key management personnel	Total related parties	Total reported amount	% of total
Finance expenses	(23,420)	-	-	(23,420)	(220,287)	10.6%
Personnel expenses	-	-	(4,351)	(4,351)	(98,378)	4.4%
Other income	-	568	-	568	18,529	3.1%
Other operating costs	-	(2,033)	-	(2,033)	(40,952)	5.0%
Finance income	-	13	-	13	28,139	0.0%

The transactions with Associates are mainly related to the business relations between IMA S.r.l. and Marim S.r.l., until the date of acquisition of control of the company by the latter.

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

Key management personnel

The following table provides a breakdown of the remuneration attributable to the Group’s key management personnel for the years ended 31 December 2024 and 2023.

<i>(In thousands of Euro)</i>	For the year ended 31 December	
	2024	2023
Remuneration	4,008	3,718
Bonus una tantum	1,482	7
Social security contributions	609	361
Severance indemnity	281	265
Total	6,380	4,351



11. Other information

11.1 Commitments, guarantees and contingent liabilities

11.1.1 Guarantees granted in favor of third parties

As of 31 December 2024, the Group had granted concession related guarantees in favor of the ADM amounting to Euro 373.9 million. For details regarding guarantees relating to the notes loan, see Note 9.16 above.

11.1.2 Commitments

For commitments related to the SKS365 Acquisition, please refer to Note 11.7.9.

11.1.3 Contingent liabilities

Other than as reported in Note 11.7, management is not aware of any disputes or legal actions that could reasonably have significant repercussions on the Group's operating results, financial position or cash flows.

11.2 Compensation due to directors and statutory auditors

The compensation due to directors and statutory auditors amounted to Euro 4,139 thousand for the year ended 31 December 2024 (Euro 3,049 thousand for the year ended 31 December 2023).

11.3 Compensation due to independent auditor

The following table, drawn up pursuant to art. 149-duodecies of the Issuers Regulation, shows the breakdown of the services offered by the audit firm for the year ended 31 December 2024.

<i>(In thousands of Euro)</i>			
Service	Service performed on behalf of	Subject who provided the service	2024 Fees
Audit of financial statement	Parent company	PwC S.p.A.	725
Other services*	Parent company	PwC S.p.A.	625
Other services	Parent company	PwC Network	341
Audit of financial statement	Subsidiaries	PwC S.p.A.	1,114
Other services**	Subsidiaries	PwC Network	861
Total			3,666

* The item mainly includes costs related to the activities for the Group's refinancing operations.
** The item mainly includes costs related to due diligence activities for potential acquisitions.

11.4 Significant non-recurring events and transactions

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

<i>(In millions of Euro)</i>	For the year ended 31 December 2024	Profit before tax	Financial Position
Acquisition of SKS365			
Transaction costs related to SKS365 Acquisition	(1.8)	✓	
Negative carry (including net income from IRS)	(4.2)	✓	
Total	(6.0)	(6.0)	-
Refinancing 2024			
Underwriting fees and consultants / advisors	(10.9)		✓
Make-whole on 2024 Notes Repaid	(26.4)	✓	
Effect of acceleration of the unamortized costs and net charge IRS on 2024 Notes Repaid	(21.7)	✓	
Total	(59.0)	(48.1)	(10.9)
Costs not included in Adjusted EBITDA			
Cost related to M&A and international activities	(8.3)	✓	
Integration costs	(33.7)	✓	
Other non-recurring expense	(35.0)	✓	
Total	(77.0)	(77.0)	-
Total	(142.0)	(131.1)	(10.9)



<i>(In millions of Euro)</i>	For the year ended 31 December 2023	Profit before tax	Financial Position
IPO Costs			
Underwriting fees and advisors	(27.5)		✓
Prepayment penalty on Gamma Bondco loan	(16.5)	✓	
Bridge Facility	(13.8)	✓	
Arrangement fees on Revolving Credit Facility (over 5 years)	-	✓	
Total	(57.8)	(30.3)	(27.5)
Refinancing costs			
Underwriting fees and advisors	(24.1)		✓
Bond issue discount	(5.5)		✓
Make-whole on bond repaid in 2023 net of income from IRS closing	7.2	✓	
Acceleration of the amortized cost on bond repaid in 2023	(10.8)	✓	
Negative carry as of 17 July 2023	(2.5)	✓	
Total	(35.7)	(6.1)	(29.6)
Other non-recurring financial expenses			
Fees on previous revolving credit facility	(4.5)	✓	
Total	(4.5)	(4.5)	
Acquisition of SKS365			
Underwriting fees and consultants / advisors	(11.4)		✓
Bond issue discount	(2.5)		✓
Acquisition costs related to SKS365	(8.3)	✓	
Bridge Facility SKS365	(7.0)	✓	
Negative carry as of 31 December 2023	(1.1)	✓	
Net income from IRS	0.3	✓	
Total	(30.0)	(16.1)	(13.9)
Costs not included in Adjusted EBITDA			
Cost related to M&A, international activities and IPO	(19.8)	✓	
Integration costs	(12.5)	✓	
Other non-recurring expense	(15.1)	✓	
Total	(47.4)	(47.4)	
Total	(175.4)	(104.4)	(71.0)

11.5 Atypical/unusual transactions

In accordance with the disclosures required by Consob Communication DEM/6064293 dated 28 July 2006, the Group did not carry out any atypical and/or unusual transactions during the year.

11.6 Public funds disclosure as per art. 1 paragraphs 125-129

Pursuant to art. 1, paragraph 125, of Italian Law 124/2017, as for the requirement to disclose in the notes any funds received during the year in the form of aid, grants, paid services, and generally economic benefits of any kind from public administrations and the entities as per paragraph 125 of the same article, reference should be made to the National State Aid Register.

11.7 Significant events for the period

11.7.1 FIGC Court order

On 4 October 2019, the Rome civil court granted provisional execution of a court order requested by the Federazione Italiana Giuoco Calcio–FIGC (the Italian Football Federation) against Gamenet S.p.A., involving an amount of Euro 927 thousand (of which 921,777.77 plus VAT and late payment interest), relating to a format or short-form sponsorship pre-contract agreement entered into by the parties on 7 September 2016 and effective until 31 December 2018, on the understanding that it was the intention of the parties to sign the document with a view to completing a sponsorship contract.

Gamenet S.p.A. has challenged the aforementioned court order and requested that the matter be considered together with the court order previously requested in the same Rome court by Gamenet S.p.A., with a view to obtaining a ruling on the non-existence of the contract relating to sponsorship of the Italian national football team, using the INTRALOT brand, as well as a ruling regarding the illegitimate/illegal nature of the FIGC’s behavior. At the first hearing, FIGC confirmed its request for provisional execution of the court order. Notwithstanding Gamenet’s opposition, the judge granted provisional execution of the court order and ordered that the proceedings be combined with those initiated by Gamenet S.p.A. On 30 January 2020, following receipt of the Rome civil court executive order reserving the right to repeat performance, the company settled the entire amount, totaling Euro 1,048 thousand (including late payment interest).

On 27 February 2022, the FIGC notified Gamenet S.p.A of an appeal against the first instance sentence, for the purpose of obtaining the reform of the aforementioned in the part in which it does not pronounce itself with respect to the presumed right of the FIGC to obtain payment of the amount due for the period from 1 January 2018 to 15 October 2018 (for Euro 668,518.52) and a compensation for damages quantified at Euro 175,000. Appearance forms are being filed in Gamenet’s interest, with a consequent appeal aimed at obtaining the complete reform of the sentence and consequently the verification of what was already requested by the Group in the first instance.



A notice of appearance was filed with an incidental appeal and the litigation was postponed to 26 October 2023 for the clarification of the conclusions.

The Court of Appeal has ordered the postponement of the case to 10 September 2026 for the same tasks (clarification of the conclusions).

In view of the above and based on the risk assessment provided by the lawyers, it is not necessary to make further provisions.

11.7.2 VAT reimbursement

On 29 January 2021, the Lazio Region Tax Commission issued order No.202/2021 in which it ruled the application for correction of appeal sentence No.5415/8/2019 to be inadmissible. In rejecting the petition, the Commission noted that the procedure for material correction of a sentence is restricted to cases in which the divergence between the judgment and its literal expression is immediately obvious without the need for any reconstructive investigation of the Judge's reasoning. In the case in question, in the opinion of the Judges called upon to decide on the application, such conditions were held not to exist and therefore the Judges ruled it to be inadmissible.

The company had in parallel already lodged an appeal to the Supreme Court to reiterate, inter alia, the inconsistency between the grounds and the operative part of the judgment. The aforementioned Order No. 202/2021, which is not subject to independent appeal, will also be produced in such a forum.

On 25 September 2019, the Lazio Region Tax Commission had issued appeal ruling No.5415/2019, in which it partially amended the ruling issued on 14 March 2018 by the court of first instance, the Rome Province Tax Commission, which had upheld the appeal lodged by Gamenet S.p.A claiming the repayment of Euro 2.4 million, representing VAT paid but not due with regard to the supply of a VLT gaming platform during the tax years 2013 and 2014. Specifically, the appeal ruling reaffirmed the scope of the exemption regime, confirming that "in the case in question, based on examination of the documentation, the necessary and indispensable constraint required for VAT exemption exists, as confirmed by the technical advice obtained during the proceedings". The Judges had also recognized, however, that "the decision not to reimburse should not be considered illegitimate, to the extent that the amount paid in error was paid prior to the two-year time-limit" and therefore "considering that the reimbursement claim was lodged on 16 November 2015, payments made more than two years prior to such date are not reimbursable, while those made within a period of two years prior to date are due to the claimant." In substance, therefore, the Lazio Region Tax Commission had upheld the reimbursement claim – originally expressed in the amount of Euro 2.4 million (the sum received in full by Gamenet S.p.A) – but reduced it by Euro 1.0 million, representing the VAT paid by Gamenet S.p.A during the period between January and September 2013, considered to be "expired". In view of the difference between the justification for the ruling that partially upheld the appeal lodged by the Tax Authorities and the ruling that fully upheld the appeal, on 18 November 2019, the company had presented an application for correction (pursuant to Article 287 civil procedure code) to the Rome Region Tax Commission, requesting that the error in the second-instance ruling be corrected.

By judgment published on 23 August 2023, the Supreme Court, noting the contrast between the reasons and the operative part of the judgment of second cure, reversed the decision by ordering the referral to the Lazio Tax Court of Justice of second grade so that, in a different composition, it may once again decide on the profile affected by this contradiction. The company will proceed with the resumption of the case within six months of the publication of the order of the Supreme Court.

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

11.7.3 SKS365 litigation

PWO Limited Austrian branch is involved in a tax dispute regarding a tax deduction of Euro 23 million claimed in 2014 by SKS365 Group GmbH (now PWO Limited) with a tax effect of Euro 5.8 million in connection with unpaid Italian betting duties relating to fiscal years 2010-2014. These assessments were appealed by the company before the Austrian tax court.

On 7 November 2024, the hearing was held before the Austrian Federal Tax Court in Innsbruck and the decision of the Federal Tax Court was notified on 27 January 2025. The Court rejected the appeal filed by the company and quantified the tax for Euro 5,677,366 plus interest and penalties. PWO may appeal against the Court's decision by 6 March 2025.

In light of the above, the related amounts were appropriately recorded in the financial statements.

11.7.4 Payment of additional 0.5% of bet – "Relaunch" Decree

Article 217 of Law Decree No. 34 of 19 May 2020 (the Relaunch Decree), converted into Law No.77 of 17 July 2020, provides for a "Fund for the relaunch of the national sports system".

The financing for such Fund shall come from the sports betting segment (in a broad sense), through the imposition of a tax "equal to 0.5% (net of the share relating to the flat-tax pursuant to Legislative Decree No. 54/1998) of the total bet collected in relation to all sports events, including simulated events, however placed and by whichever means, whether online or through traditional channels."

This is an extraordinary measure, limited both in terms of its duration and its maximum effect, given that by express provision, "The financing of such fund shall be limited to a maximum of Euro 40 million in 2020 and Euro 50 million in 2021."

The ADM, therefore, provided guidance regarding the calculation and application of such amounts in Directive No. 307276/RU of 8 September 2020, and GoldBet and Lottomatica Scommesse (at the time separate legal entities), in common with other concessionaires, lodged an appeal with the Lazio Region Civil Court which, however, on 16/12/2020, issued a dismissal order with respect to the request to suspend the measures.

In line with such measures and the guidance subsequently provided by the ADM in Notes No. 77845/RU of 12 March 2021 and 151351/RU of 18 May 2021, Note No. 400355/RU of 26 October 2021 and, most recently, Note No. 5721 of 8 January 2022, both Lottomatica and Goldbet (there-



fore, the current GBO Italy) paid in-full all amounts demanded by the ADM for the entire period covered by the Fund, based on both the original calculations as well as the recalculations made by the Agency in line with the criteria set forth in the aforementioned Directive No. 5721/RU of 8.01.2022, totaling Euro 14,891,572 (of which Euro 4,405,359 relating to Lottomatica and Euro 10,486,213 to Goldbet).

Subsequently, pursuant to Article 21-nonies of Law No.241 of 7 August 1990, by Decree No. 10337/RU dated 5 January 2023, the ADM ordered the annulment, in self-defense, of Directive No. 5721/RU of 8 January 2022 and the related notes already sent to the concessionaires to pay amounts calculated in accordance with the previously defined criteria to be allocated to replenishing the Fund, claiming, for the first time, that the maximum amounts of Euro 40 million for 2020 and Euro 50 million for 2021 did not refer “to the maximum amounts to be paid but, rather, to the share of the tax to be allocated to the “Fund for the relaunch of the national sports system” and that Concessionaires were, therefore, required to pay in full the 0.5% of bet relating to 2020 and 2021 (calculated in accordance with the method set out in Article 3 of the measure adopted in self-defense), without any annual limit.

The additional amounts due by GBO Italy with respect to those already paid were, therefore, recalculated by the ADM and totaled Euro 9,509,509 (of which Euro 1,679,041 relating to online network concession No. 15017; Euro 3,408,643 to remote gaming concession No. 15226; and Euro 4,421,826 to retail network concession Nos. 4032, 4098, 4313, 4341, 4502, 4504, 4805 and 72000); the amounts due were communicated in Notes No. 72148/RU and No. 71976/RU dated 6 February 2023 and No. 76535/RU dated 7 February 2023.

On 6 March 2023, GBO Italy lodged an appeal with the Regional Civil Court challenging Directive No. 10337/RU of 5 January 32023 and the aforementioned measures regarding the payment of additional amounts, having in the meantime withdrawn, due to supervening lack of interest, from Lazio Regional Civil Court proceeding R.G. 5612/2020 (terminated on 16 March 2023).

The new proceeding was identified as No. R.G. 4074/2023 and the Lazio Regional Civil Court initially set a hearing for discussion of the related precautionary measure for 29 March 2023 and then, without reaching any decision in this regard, postponed the hearing to 28 June 2023.

By judgment of 2 August 2023 No.13005/2023, the Lazio Regional Civil Court rejected the appeal. The judgment was appealed by GBO Italy the following day. An appeal was filed on 3 August 2023 (CDS R.G. 6818/2023). On 4 August 2023, a presidential decree suspending the effects of the judgment and the contested measures was obtained, with referral back to the Chamber of Council of 29 August 2023 for the examination of the precautionary application by the board. By order of 31 August 2023, the board confirmed the suspension and at the hearing on 5 December 2023, the case brought by GBO Italy S.p.A. has been retained in the decision and we are therefore awaiting the filing of the sentence.

Betflag S.p.A. also filed an appeal against Note No. 10337/RU of 5 January 2023. The judgment established was defined by a judgment of dismissal by the TAR Lazio on 2 August 2023 No. 13004/2023. On 4 October 2023, Betflag filed an appeal and the hearing before the Council of State is scheduled for 13 February 2024. The case was held in judgment.

By judgment of 26 February 2024 No.1883/2024 published on 27 February 2024, the Council of State settled the case of GBO Italy and, consequently, reforming the ruling of the Lazio Region Civil Court that had settled the case in the first instance, annulled the contested measures.

After the expiration of the time period for filing an appeal by ADM, the judgment is deemed to have become final. In the meantime, ADM announced on 30 July 2024 that it would publish the amounts deemed to be owed/credited by each concessionaire in their reserved area as a result of the judgment in question.

Following the publication of these amounts, their effects were appropriately reflected in the financial statements.

11.7.5 Other claims

The following are other claims of the Group deemed significant and the risk of losing the case is considered possible.

Gaming Franchise

In 2023, the Court of Rome issued a final judgment declaring extinguished the judgment initiated by Morosini Slot S.r.l. in order to assert an alleged contractual liability of Lottomatica Videolot Rete S.p.A. (“**Lottomatica Videolot Rete**”) with regard to the termination of the concessionaire-hall manager agreement. On 20 December 2023, the bankrupt Morosini has again sued Lottomatica Videolot Rete and Jolly Group S.r.l. (“**Jolly Group**”) before the same court.

Lottomatica Videolot Rete and Jolly Group duly appeared in court on 27 March 2024. As ordered by the judge, on 27 September 2024, the Morosini Bankruptcy arranged for the mediation proceedings as a condition for proceeding with the lawsuit already initiated. The mediation meeting was scheduled for 29 October 2024. The next hearing has been set for 11 November 2026.

Sports Franchise and Online

On 21 February 2023, a consultant and a service company notified to GBO Italy (formerly Lottomatica Scommesse) the summons to appear before the Court of Rome following the termination of an *inter partes* consultancy agreement by GBO Italy. The matter related to the alleged illegitimate imposition-by the latter-of agreements amending and deteriorating the previously agreed economic conditions and requested the annulment of such agreements and of the unfair terms contained therein and, as a result, the recovery of the alleged loss of revenues, estimated at a total amount of Euro 1,139,843.00, in addition to the alleged non-pecuniary damages suffered, for a further Euro 1,200,000.00.

After the company itself appeared in court and filed the briefs pursuant to art. 183 of the Code of Civil Procedure, the judge deemed the case ready for decision without the need to gather the evidence requested by the plaintiffs and adjourned the case to 27 May 2026 for the clarification of the conclusions.



11.7.6 Legislative and regulatory provisions

11.7.6.1 ADIs

11.7.6.1.1 PREU and payout rates – 2024

The PREU flat-rate tax is the tax applied to the ADI segment. It was introduced by Law Decree no. 326 of 24 November 2003 and it is calculated by applying the required percentage rate to the total of bets placed in each relevant activity, namely, for AWP activities and for VLT activities.

In 2024, the PREU rates for AWP and VLT are 24.0% and 8.6% respectively and were unchanged compared to those applicable in 2023.

In 2024, the minimum payout levels for AWP and VLT are respectively 65.0% and 83.0% of bet and were unchanged compared to those applicable in 2023.

11.7.6.1.2 Onerous extension of ADI concessions

The ADI concessions expired on 31 December 2024 and have been subject to an onerous extension until 31 December 2026, pursuant to Law no. 207 of 30 December 2024 (hereinafter “Budget Law 2025”).

ADM Directorial Determination No. 42506/RU of 10 January 2025 provides that:

the concession fees due pursuant Law No. 207 of 30 December 2024 for the extension of the concessions in the preamble are paid by each concessionaire as follow:

- for the year 2025, in three equal installments due on 15 March 2025, 15 July 2025 and 1 October 2025, respectively;*
- for the year 2026, in three equal installments due on 15 March 2026, 15 July 2026 and 1 October 2026, respectively.*

11.7.6.1.3 AWP-R

Pursuant to the 2016 Stability Law and as subsequently modified, most recently by the provisions of Law No. 145 of 30 December 2018, the ADM developed a draft Ministerial Decree setting out technical rules for the production of entertainment devices pursuant to Article 110, Paragraph 6, letter a) of the TULPS that permit remote gaming. This draft was forwarded to the Finance Legislative Office for final approval. As clarified by the ADM in the note relating to the 2025 Development Plan, “Based on the timelines that will be provided, each concession holder will proceed within its area of responsibility to adapt the network structures and connectivity and replace the equipment, PDAs and communication structures of the telematic networks”.

At reporting date, the decree containing technical rules for the production of AWP-R has not yet been issued.

11.7.6.2 Betting and GAD

11.7.6.2.1 Betting concessions held by the Group

The following table provides a summary of the betting concessions held by the Group as of 31 December 2024:

Concession No.	Company	Announcement	Betting offering	Number of rights 2024
4098	GBO Italy S.p.A.	Bersani betting shops	Sport	421
4098	GBO Italy S.p.A.	Bersani betting shops	Sport	1,241
4341	GBO Italy S.p.A.	Bersani betting shops	Horse racing	13
4805	GBO Italy S.p.A.	Giorgetti betting shops	Horse racing	12
4504	GBO Italy S.p.A.	Monti	Sport + Horse racing	358
72000	GBO Italy S.p.A.	Tax regularization pursuant to article 1 co. 643 L. 190/2014	Sport + Horse racing	993

Concession No.	Company	Announcement	Betting offering	Number of rights 2024
4538	Ricreativo B S.p.A.	Monti	Sport + Horse racing	8
4869	Ricreativo B S.p.A.	Giorgetti betting shops	Horse racing	1

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



11.7.6.2.2 Betting duties (“Imposta Unica”)

From 1 January 2025, pursuant to the provisions of Budget Law 2025, the betting duties (“Imposta Unica”) on prediction and bets is established:

- a) for remote skill games with cash prizes, including card games in tournament mode and card games in modes other than tournament, as well as for fixed-odds games of chance and remote bingo, in the amount of 25.5% of the sums that are not returned to the player, according to the game rule;
- b) for fixed-odds sports betting, in the amount of 20.5%, if bet takes place on a physical network, and 24.5%, if bet takes place remotely, applied to the difference between the amount bet and the winnings paid;
- c) for fixed-odds bets on simulated events, pursuant to Law no. 296 of 27 December 2006, in the amount of 24.5% of the bet net of the amount paid to the player in winnings, according to the game rules.

11.7.6.2.3 Withdrawal on winnings

From 1 January 2025, pursuant to the provisions of the 2025 Budget Law (Article 1, paragraph 93), the tax applied on fixed-odds horse racing bets is set at 20.5% and 24.5% for those collected on the physical network and for those collected remotely, respectively. Those rates are applied to the difference between the bet amount and the winnings paid, without prejudice to the distribution of the periodic withdrawal pursuant Law no. 205 of 2017.

11.7.6.2.4 Onerous extension of Betting and GAD concessions

Betting concessions expired on 31 December 2024 and have been subject to an onerous extension until 31 December 2026, pursuant to the 2025 Budget Law.

ADM Directorial Determination No. 13771/RU of 3 January 2025 provides that:

the annual amount due is paid by the concessionaire, by the owner of the physical network collection or by the owner of the regularized betting points with the methods indicated below:

- for the year 2025, in two installments of equal amount due on 30 April 2025 and 31 October 2025, respectively;
- for the year 2026, in two installments of equal amount due on 30 April 2026 and 31 October 2026, respectively.

With specific reference to the GAD sector, pursuant to Article 6 of Legislative Decree No. 36 of 31 March 2023, ADM announced the open electronic procedure concerning the assignment of concessions for the activities and functions for the operation of public games referred to Legislative Decree No. 41 of 25 March 2024 (i.e. online games), through the activation and management of the remote gaming network, with the exclusion of collection at public places as per the tender notice published in the Official Journal of the European Union on 18 December 2024.

With Directorial Determination No. 777860/RU of 17 December 2024, ADM provided that:

the concessions for the collection of remote gaming, pursuant to Legislative Decree No. 41 of 25 March 2024 are assigned:

- to all economic operators who have the specific requirements and conditions, set out in the tender notice and valid for the entire duration of the concession;
- upon payment, at the time of award, of a one-off fee of Euro 7 million, to be paid in the manner set out in the aforementioned Legislative Decree;
- with a maximum numerical limit of five concessions that can be requested by a single corporate group.

Applications may be submitted from 31 March 2025 to 30 May 2025.

Consequently, the concessions relating to remote gaming in place as of today and expired on 31 December 2024, have been extended by ADM Directorial Determination No. 790999 of 20 December 2024 until 17 September 2025, the final deadline for the procedure of the concession of the remote gaming referred to in Article 6 of Legislative Decree No. 41 of 25 March 2024.

Pursuant to Article 2 of the aforementioned Determination, each GAD concessionaire of the Group has expressly communicated to ADM its adhesion to the technical extension, committing to pay the due fees and to adjust the guarantees in the manner and within the terms established by ADM. In this regard, ADM established the following:

For the purposes of the technical extension, concessionaires must pay a fee in two installments, calculated as follows:

- by 15 February 2025:
 - for concessionaires holding a concession pursuant to Article 1 of Law No. 2008 of 28 December 2015, an amount equal to 1/14 of the one-off fee of Euro 200 thousand;
 - for concessionaires holding a concession pursuant to Article 24 of Law No. 88 of 7 July 2009, an amount equal to 1/18 of the one-off fee, provided for by the concession based on the games for which the concession was requested;
- by 15 July 2025:
 - for concessionaires holding a concession pursuant to Article 1 of Law No. 2008 of 28 December 2015, an amount equal to 78/2555 of the one-off fee of Euro 200 thousand, corresponding to the days actually remaining with respect to the deadline of 17 September 2025;
 - for concessionaires holding a concession pursuant to Article 24 of Law No. 88 of 7 July 2009, an amount equal to 78/3285 of the one-off fee, provided for the concession in relation to the games for which was requested, corresponding to the days remaining to the deadline of 17 September 2025;
- by 1 October 2025, in the event that the sole project manager proceeds, pursuant to Article 1, paragraph 2, to a further extension, the further fee will be calculated using the methods set out in letter b), based on the actual number of days of extension.

Management believes that the Group's concessionaire companies meet all the requirements and conditions set out in the tender notice and, therefore, have a reasonable expectation regarding the assignment of the aforementioned concessions, based on the elements and information available at the reporting date. The tender notice provides that the concessions will be awarded during 2025 following verification by ADM of compliance with the technical-infrastructure requirements.



11.7.6.3 Bingo

As result of the Budget Law 2025, bingo concessions, expired on 31 December 2024, have been subject to an onerous extension until 31 December 2026. Starting from 1 January 2025; the jackpot has been set at a minimum of 70% and a maximum of 71% of the selling price of the bingo cards.

Due to the regulatory changes introduced by the 2025 Budget Law, ADM note No. 43702 of 10 January 2025 established that the annual payment of the amount of Euro 108,000.00 for each concession should be paid in two installments of Euro 54,000.00 each by 31 January and 30 June of each year.

11.7.7 ESG Rating

On 23 May 2024, Lottomatica S.p.A received an ESG rating of 9.5 out of 100 from Morningstar Sustainalytics, a negligible risk of suffering significant financial impacts related to ESG factors. This rating placed Lottomatica S.p.A. among the companies with the lowest risk, first in the world among 73 companies rated in the “Casino and Gaming” industry segment and fourth among 468 companies in the “Consumer services” sector. In 2024, Sustainalytics also confirmed the ESG Regional Top Rated Badge for Europe and the ESG Industry Top Rated Badge for Consumer Services received the previous year. It should be noted that, following the merger of Lottomatica S.p.A. into Lottomatica Group S.p.A., the Company has started the process for issuing a comprehensive rating for Lottomatica Group S.p.A., currently rated as low risk by Morningstar Sustainalytics. As of 31 December 2024, this process was still ongoing.

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

On 23 January 2024, Gamenet S.p.A. finalized the agreement to acquire the remaining 30% of share capital of Billions Italia S.r.l. for Euro 6.5 million, owned by Dgplay S.r.l.. Out of this amount, Euro 3.3 million was paid upon signing the contract, and the remaining portion will be paid in 12 monthly installments starting from June 2024.

11.7.9 Acquisition of SKS365 Malta Holding Limited

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

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

It should be noted that SKS365 Malta Holding Limited is the parent company of the operating company SKS365 Malta Limited, which was renamed to PWO Limited following the acquisition.

11.7.10 Refinancing of senior secured notes

As described in Note 9.16.1, on 29 May 2024, Lottomatica S.p.A. issued the May 2024 Notes for a total principal amount of Euro 900 million.

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

With reference to the May 2024 Notes, ancillary expenses for the issuance amounted to Euro 10.9 million and was mainly attributable to professional expenses.

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

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

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

11.7.12 Acquisition of minority share of New Matic S.r.l., transfer to Jolly Group S.r.l. and subsequent merger

On 13 May 2024, Gamenet S.p.A., which owned 51% of the share capital of New Matic S.r.l., acquired the remaining 49% shareholding, thereafter owning 100% of the share capital. The consideration for the acquisition of the minority shares amounted to Euro 0.4 million, fully paid.

On 22 May 2024, Gamenet S.p.A., sold its entire shareholding in the company New Matic S.r.l. to Jolly Group S.r.l. for Euro 1.0 million. Subsequently, on 7 June 2024, the boards of directors of New Matic S.r.l. and Jolly Group S.r.l. approved the plan for the merger by incorporation of the former into the latter, prepared in accordance with Article 2501-ter and 2505 of the Italian Civil Code. The merger has become effective on 5 August 2024, with accounting and tax effects backdated to 1 January 2024.



11.7.13 Merger of Lottomatica S.p.A. into Lottomatica Group S.p.A.

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

On 24 October 2024, the deed of merger of Lottomatica S.p.A. into Lottomatica Group S.p.A. was signed. The merger had legal effects from 1 November 2024, with accounting and tax effects backdated to 1 January 2024.

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

11.7.14 Acquisition of Rete Gioco Italia S.r.l.

On 23 July 2024, Lottomatica Videolot Rete S.p.A. finalized the acquisition of 60 % of the share capital of Rete Gioco Italia S.r.l., a company operating in the management of halls as well as AWP and VLT devices within them. The consideration for the acquisition amounted to Euro 14.9 million plus price adjustment.

11.7.15 Acquisition of Bakoo S.p.A.

On 24 July 2024, Marim S.r.l. finalized the acquisition of the entire share capital of Bakoo S.p.A., a company operating in the development and implementation of gaming software in the AWP, VLT and online markets. The consideration for the acquisition amounted to Euro 4.4 million.

11.7.16 Merger of Iris S.r.l., Bingo Service S.r.l., Kristal Palace S.r.l., Il Galletto Fortunato S.r.l. and AB Games S.r.l. into Battistini Andrea S.r.l.

On 11 September 2024, the board of directors of the companies involved approved the plan for the merger by incorporation of Iris S.r.l., Bingo Service S.r.l., Kristal Palace S.r.l., Il Galletto Fortunato S.r.l. and AB Games S.r.l. into Battistini Andrea S.r.l., pursuant to Articles 2501-ter and 2505 of the Italian Civil Code. The aforementioned merger is aimed at harmonizing the corporate structure to the one of the Group's "Bingo" business line. The merger became effective on 22 November 2024 with accounting and tax effects backdated to 1 January 2024. The Company has been renamed Big Easy Bingo S.r.l..

11.7.17 Acquisition of majority shares of IMA S.r.l.

On 17 December 2024, Marim S.r.l. finalized the agreement for the acquisition of the remaining 51% of the share capital of IMA S.r.l. for Euro 0.2 million held by IGT Europe Gaming BV. Following this transaction, Marim S.r.l. controls 100% of the share capital of IMA S.r.l..

11.7.18 Acquisition of Sea S.r.l.

On 15 October 2024, Big Easy S.r.l. finalized the acquisition of the entire share capital of Sea S.r.l., a company that operates in the legal gaming sector with specific regard to bingo games as well as in the management of AWP and VLT machines. The consideration for the acquisition amounted to a total of Euro 6.0 million. In addition, an additional and possible price component of a variable amount may be paid in 2026 depending on the financial performance of the company during the year 2025.



11.8 Significant events occurring after 31 December 2024

11.8.1 Acquisition of Cristaltec S.p.A. and Distante S.r.l.

In January 2025, Lottomatica Videolot Rete S.p.A. finalized the agreements for the acquisition of (i) 60% of the share capital of Cristaltec S.p.A., a company operating in the bingo and casino sectors as well as in the management of AWP and VLT machines, and (ii) 65% of the share capital of Distante S.r.l., a company engaged in the rental, management and maintenance of AWP gaming machines. The consideration for the aforementioned acquisitions was equal to a total of Euro 19.0 million.

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

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

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

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

Rome, 3 March 2025

Chief Executive Officer
Guglielmo Angelozzi

Certification of consolidated financial statements pursuant to art. 81-ter of Consob Regulation No. 11971 of 14 May 1999 and subsequent amendments and additions

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

- their adequacy with respect to the company, and
- the effective application of the administrative and accounting procedures for the preparation of the consolidated financial statements as of and for the year ending 31 December 2024.

2. No significant aspects arose from applying the administrative and accounting procedures for the preparation of the consolidated financial statements as of and for the year ending 31 December 2024.

3. We also certify that:

- the consolidated financial statements as of and for the year ending 31 December 2024:
 - have been prepared in accordance with the international accounting standards as endorsed by the European Community pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002;
 - are consistent with the information contained in the accounting ledgers and records;
 - are suitable for providing a true and fair representation of the equity, financial and economic position of the issuer and the whole of companies included in the scope of consolidation;
- the Directors' report includes a fair review of the development and performance of operations and of the position of the issuer and of the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties to which it is exposed.

Rome, 3 March 2025

Chief Executive Officer
Guglielmo Angelozzi

Executive Officer responsible for the preparation of corporate accounting information
Laurence Van Lancker

Lottomatica

Separate financial statements
as of and for the year ended
31 December 2024

Statement of comprehensive income

<i>(In Euro)</i>	<i>Note</i>	For the year ended 31 December			
		2024	Of which Related Parties (Note 8)	2023	Of which Related Parties (Note 8)
Dividends from subsidiaries	6.1	448,248,622	448,248,622	16,500,000	16,500,000
Net Income from equity investments		448,248,622		16,500,000	
Finance income	6.1	65,468,147	56,631,025	7,594,306	5,445,548
Finance expenses	6.1	(201,475,777)	(3,262,544)	(25,550,399)	(25,454,399)
Net Financial Expenses		312,240,992		(1,456,093)	
Impairment of financial assets		(7,580)		-	
Total financial operations		312,233,412		(1,456,093)	
Other income	6.2	27,699,546	27,674,488	1,252,961	1,252,538
Cost of services	6.3	(20,409,138)	(2,453,461)	(3,193,023)	(3,050)
Personnel expenses	6.4	(23,808,401)	(5,544,000)	(2,630,328)	(872,000)
Other operating costs	6.5	(1,532,080)		(41,118)	
Depreciation, amortization and impairments	6.6	(3,625,836)		-	
Profit / (loss) before tax		290,557,503		(6,067,601)	
Income tax expense	6.7	21,125,455		2,645,116	
Net / (loss) profit for the year		311,682,958		(3,422,485)	

<i>(In Euro)</i>	<i>Note</i>	For the year ended 31 December			
		2024	Of which Related Parties (Note 8)	2023	Of which Related Parties (Note 8)
Net / (loss) profit for the year		311,682,958		(3,422,485)	
Actuarial gains /(losses) on employee benefit liabilities	7.8	404,121		(3,977)	
Fiscal effect	7.8	(96,989)		955	
Other items that will not be classified to profit or loss		307,132		(3,022)	
Loss on hedging derivatives		(3,867,608)		-	
Fiscal effect on losses of hedging derivatives		928,226		-	
Other items that will be classified to profit or loss		(2,939,382)		-	
Total comprehensive profit / (loss)		309,050,708		(3,425,507)	

Statement of financial position

	Note	2024	As of 31 December		2023	Of which Related Parties (Note 8)
			Of which Related Parties (Note 8)			
<i>(In Euro)</i>						
Intangible assets	7.1	14,285,701		-		
Property, plant and equipment	7.2	5,139,195		-		
Non-current financial assets	7.3	2,965,691,365	915,831,999	527,188,074		60,881,355
Deferred tax assets	7.4	5,141,522		132,766		
Other non-current assets	7.5	5,465,590		670,210		
Total non-current assets		2,995,723,373		527,991,050		
Current financial assets	7.3	298,584,558	298,584,558	411,541,643		411,541,643
Tax receivables	7.10	5,377		-		
Other current assets	7.5	56,645,143	51,395,426	46,961,243		45,493,466
Cash and cash equivalents	7.6	77,517,507		106,325,539		
Total current assets		432,752,585		564,828,425		
Total assets		3,428,475,958		1,092,819,475		
Share capital	7.7	10,000,000		10,000,000		
Other reserves	7.7	458,150,572		530,780,185		
Retained earnings	7.7	309,464,144		(8,124,804)		
Total shareholders' equity		777,614,716		532,655,381		
Employee benefit liabilities	7.8	3,219,784		299,689		
Non-current financial liabilities	7.9	1,945,498,424		-		
Other non-current liabilities	7.12	423,169	423,169	-		
Total non-current liabilities		1,949,141,377		299,689		
Current financial liabilities	7.9	665,326,914	654,872,633	522,720,551		522,720,551
Tax payables	7.10	12,954,609		8,488,226		
Current trade payables	7.11	8,117,302	35,271	863,447		
Other current liabilities	7.12	15,321,040	9,476,758	27,792,181		27,265,655
Total current liabilities		701,719,865		559,864,405		
Total equity and liabilities		3,428,475,958		1,092,819,475		

Statement of cash flow

For the year ended 31 December					
(In Euro)	Note	2024	Of which Related Parties (Note 8)	2023	Of which Related Parties (Note 8)
INDIRECT METHOD					
Profit / (loss) before tax		290,557,503	-	(6,067,601)	
Reconciliation of profit before tax with cash flow from operating activities:					
Depreciation, Amortization and Impairment	6.6	3,625,836	-	-	
Accruals and write-downs for impairment losses		1,291,360	-	60,538	
Impairment of financial assets		7,580	-	-	
Net financial expenses / (income)	6.1	(312,240,992)	(501,617,013)	1,456,093	3,509,028
Share of loss of equity accounted investments		-		-	
Other adjustments for non-monetary items		872,922		78,663	
Cash flow from operating activities before changes in net working capital		(15,885,791)		(4,472,307)	
Changes in net working capital					
(Decrease)/increase in trade payables	7.11	167,622	(35,271)	799,278	
Other changes in net working capital	7.4-7.5-7.10-7.12	7,521,344	(6,611,688)	(1,398,262)	26,167,460
Cash flow from changes in net working capital		7,688,966		(598,984)	
Income taxes received		29,872,950	78,119,366	2,175,423	70,152,396
Accruals to employee benefits and provisions for risks and charges	7.8	(876,212)		-	
Cash flow from operating activities (a)		20,799,913		(2,895,868)	
Cash flow from investing activities					
Investments:		(12,468,700)		-	
- intangible assets	7.1	(8,805,800)		-	
- property, plant and equipment	7.2	(3,662,900)		-	
Equity disposal Lottomatica UK		113,701		-	
Loans granted to GBO S.p.A.		(500,000,000)	(500,000,000)	-	
Capital contribution to GBO S.p.A.		(104,000,000)	(104,000,000)	-	
Repayment of Big Easy S.r.l. loan		5,750,000	5,750,000	-	
Interest income on Big Easy S.r.l. loan		294,722	294,722	-	
Faro Games Transaction	7.7	-		(4,272,554)	
Loan granted to Lottomatica S.p.A.		-		(116,175,402)	(116,175,402)
Escrow account		504,464,257		-	
Cash acquired from Merger		50,768,162		-	
Increase in receivables from cash pooling	7.3	-		(411,541,643)	(411,541,643)
Dividends received	6.1	400,000,000	400,000,000	16,500,000	16,500,000
Cash flow from investing activities (b)		344,922,142		(515,489,599)	



For the year ended 31 December					
(In Euro)	Note	2024	Of which Related Parties (Note 8)	2023	Of which Related Parties (Note 8)
Cash flow from financing activities					
Cash flow from financing activities		-		-	
Proceeds from bond issuance	7.9	900,000,000		-	
Repayment of Notes	7.9	(900,000,000)		-	
Bridge Loan fees and make-whole costs	7.9	(32,692,977)		-	
Fees on Notes issued	7.9	(21,030,351)	(1,235,000)	-	
Net financial expenses including RCF	7.9	(153,951,536)		-	
Increase / (Decrease) in payables for cash pooling	7.9	(121,431,316)	(121,431,316)	522,152,403	522,152,403
Repayment of Gamma Bondco loan	7.9	-		(296,794,532)	(296,794,532)
Net financial expenses received	7.9	-		1,415,636	
Dividends paid	7.7	(65,423,907)		-	
Capital increase transaction costs	7.7	-		(27,489,486)	(1,013,000)
Capital increase	7.7	-		425,000,000	
Cash flow from financing activities (c)		(394,530,087)		624,284,021	
Net Cash flow (a+b+c)					
Net Cash flow (a+b+c)		(28,808,032)		105,898,554	
Cash and cash equivalents at the beginning of the year	7.6	106,325,539		426,985	
Cash and cash equivalents at the end of the year	7.6	77,517,507		106,325,539	

Statement of changes in equity

	Note	Share capital	Legal Reserve	Share premium reserve	Capital contribution reserve	Stock option reserve
<i>(In Euro)</i>						
As of 31 December 2022	7.5	50,000	10,000	-	96,538,107	-
Allocation of previous year loss		-	-	-	-	-
Faro Games Transaction		50,000	-	39,623,710	-	-
Capital Increase		9,900,000	-	415,100,000	-	-
Capital Increase transaction costs*		-	-	(20,892,007)	-	-
Share based compensation		-	-	-	-	403,397
Net loss for the year		-	-	-	-	-
Other items of comprehensive income		-	-	-	-	-
As of 31 December 2023	7.5	10,000,000	10,000	433,831,703	96,538,107	403,397
Allocation of previous year net loss		-	-	-	-	-
Dividends distribution		-	-	(65,423,906)	-	-
Share based compensation		-	-	-	-	1,332,531
Merger contribution		-	-	-	-	-
Losses on hedging derivatives		-	-	-	-	-
Net profit for the year		-	-	-	-	-
Other items of comprehensive income		-	-	-	-	-
As of 31 December 2024	7.5	10,000,000	10,000	368,407,797	96,538,107	1,735,928



Gains / (losses) on hedging derivatives reserves	Actuarial gain/ (losses) reserves	Total Other Reserves	Retained Earnings/ (Losses)	Result of the year	Total Shareholders' Equity
-	-	96,548,107	(2,953,524)	(1,748,795)	91,895,788
-	-	-	(1,748,795)	1,748,795	-
-	-	39,623,710	-		39,673,710
-	-	415,100,000	-		425,000,000
-	-	(20,892,007)	-		(20,892,007)
-	-	403,397	-		403,397
-	-	-	-	(3,422,485)	(3,422,485)
-	(3,022)	(3,022)	-		(3,022)
-	(3,022)	530,780,185	(4,702,319)	(3,422,485)	532,655,381
-	-	-	(3,422,485)	3,422,485	-
-	-	(65,423,906)	-	-	(65,423,906)
-	-	1,332,531	-	-	1,332,531
(5,729,627)	(176,363)	(5,905,990)	5,905,990	-	-
(2,939,380)	-	(2,939,380)	-	-	(2,939,380)
-	-	-	-	311,682,958	311,682,958
-	307,132	307,132	-	-	307,132
(8,669,007)	127,747	458,150,572	(2,218,814)	311,682,958	777,614,716

* “Capital increase transaction costs” amount to Euro 27.5 million and are shown net of the related tax benefit of Euro 6.6 million.



Explanatory notes to the separate financial statements

1. General Information

Lottomatica Group S.p.A. (hereinafter “**Lottomatica Group**” or the “**Company**”) is a company incorporated and domiciled in Italy with registered offices in Rome, Via degli Aldobrandeschi, 300, 00163 Rome, organized under the laws of the Republic of Italy.

The share capital of the Company amounts to Euro 10,000,000.00, divided into 251,630,412 ordinary shares without nominal value. The term of the Company is fixed until 31 December 2100. The Company’s ultimate controlling entity is Apollo Capital Management, L.P., a limited company incorporated under the laws of the State of Delaware (USA). Since 3 May 2023, the Company has been listed on Euronext Milan, a regulated market organized and managed by Borsa Italiana S.p.A..

On 24 October 2024, the deed of merger of Lottomatica S.p.A. into Lottomatica Group S.p.A. was signed. The merger had legal effects from 1 November 2024 with accounting and tax effects back-dated to 1 January 2024 (hereinafter the “**Merger**”). The Company succeeded, by full right and without interruption, all the active and passive legal relationships pertaining to Lottomatica S.p.A. (including the outstanding notes and the revolving credit facility agreement).

This financial statements as of and for the year ended 31 December 2024 (hereinafter the “**Separate Financial Statements**”) were approved and authorized for publication by the Company’s Board of Directors on 3 March 2025 and are subject to audit by PricewaterhouseCoopers S.p.A..

2. Summary of significant accounting principles

The most significant accounting policies and measurement criteria used in the preparation of the Separate Financial Statements are described below. These principles have been applied consistently for all periods presented, unless otherwise indicated.

2.1 Basis of preparation

The Separate Financial Statements have been prepared in accordance with the International Financial Reporting Standards, issued by the International Accounting Standards Board, and endorsed by the European Union, effective as of 31 December 2024 (hereinafter “**EU-IFRS**”). The explanatory notes to the Separate Financial Statements have been supplemented with the information requested by CONSOB and by the provisions it has issued in implementation of art. 9 of Legislative Decree 38/2005 (resolutions 15519 and 15520) of 27 July 2006 and communication DEM/6064293 of 28 July 2006, pursuant to art. 78 of the Issuers’ Regulation, and, where applicable, the Italian Civil Code.

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

The Separate Financial Statements have been prepared on a going concern basis, as management has confirmed the absence of financial, operational or other indicators that may suggest an inability on the part of the Company to meet its obligations in the foreseeable future and, in particular, during the 12 months following the reporting date.

2.2 Format and content of the financial statements

The Separate Financial Statements have been prepared in Euro, the main currency in which Company operates. All amounts included in this document are presented in thousands of Euro, unless otherwise stated.

The principal statements and related classification criteria adopted by Lottomatica Group, among the options available under IAS 1—Presentation of financial statements (“**IAS 1**”), are as follows:

- the Statement of Financial Position has been prepared by classifying assets and liabilities based on whether they are current/non-current;
- the Statement of Comprehensive Income-classifies costs and revenues according to their nature and sets out the profit or loss for the year, together with other amounts that, in accordance with EU-IFRS, are directly recorded in equity, different from those related to operations with the Company’s shareholders;
- the Statement of Cash Flow has been prepared using the “indirect method”;
- the Statement of Changes in Equity.

The formats used are those considered to provide the best representation of the Company’s results and financial position.

With reference to CONSOB Resolution No. 15519 of 27 July 2006 and Communication No. DEM/6064293 of 28 July 2006, the financial statements show significant transactions with related parties and income components arising from non-recurring events or transactions, when significant.

2.3 Merger of Lottomatica S.p.A. into Lottomatica Group S.p.A.

On 24 October 2024, the deed of merger of Lottomatica S.p.A. into Lottomatica Group S.p.A. was signed. The merger had legal effects from 1 November 2024 with accounting and tax effects back-dated to 1 January 2024.

Following this transaction, the equity as of 31 December 2024 refers to that of the incorporating company Lottomatica Group S.p.A.. Specifically, this transaction resulted in the recognition of a merger deficit of Euro 149,049 thousand, arising from the difference between the value of the shareholding in Lottomatica S.p.A. owned by Lottomatica Group S.p.A. as of 1 January 2024 and the equity of the incorporated company at the same date. This difference was allocated to the investment in GBO S.p.A..

Generally, the merger by incorporation of wholly owned companies is excluded from the scope of IFRS 3 “Business Combinations” as it does not involve any exchange with third-party economies with reference to the activities being aggregated nor an acquisition in an economic sense. In the absence of reference IFRS principles, the merger by incorporation of subsidiary into parent company follows the provisions set out in the Assirevi preliminary guidelines on IFRS (OPI 2R).

In particular, according to these provisions, mergers by incorporation of subsidiary into parent company, the principle of value continuity is followed with a 100% investment in the incorporated company.

OPI 2 provides that the effects of the merger are backdated starting from the previous year, disclosed for comparative purposes with respect to the year in which the merger by incorporation takes place. This approach would entail the inclusion of costs and revenues in the income statement of the incorporating entity starting from the beginning of the previous year, presented for comparative purposes with respect to the year in which the merger by incorporation takes place. It is considered that the accounting backdating of the costs and revenues of the incorporated entity for the previous financial year can be represented in specific pro-forma financial statements to facilitate comments on the economic performance of the current financial year. Similarly, it is considered consistent with this approach that the presentation of post-merger financial statement balances is also carried out for the previous year in specific pro-forma financial statements, presented for comparison purposes.



The pro-forma income statement and financial position statements as of 31 December 2023 are shown below, compared with the values as of 31 December 2024:

Profit and loss

	For the year ended 31 December 2023			For the year ended 31 December 2024
(In Euro)	Lottomatica S.p.A.	Lottomatica Group S.p.A.	Lottomatica Group S.p.A. Pro-forma	Lottomatica Group S.p.A.
Dividends from subsidiaries	-	16,500,000	-	448,248,622
Net Income from equity investments	-	16,500,000	-	448,248,622
Finance income	72,924,628	7,594,306	75,073,386	65,468,147
Finance expenses	(184,983,935)	(25,550,399)	(205,088,786)	(201,475,777)
Net Financial Expenses	(112,059,307)	(1,456,093)	(130,015,400)	312,240,992
Impairment of financial assets	-	-	-	(7,580)
Total financial operations	(112,059,307)	(1,456,093)	(130,015,400)	312,233,412
Other income	24,104,165	1,252,961	24,104,937	27,699,546
Cost of services	(18,848,779)	(3,193,023)	(20,789,613)	(20,409,138)
Personnel expenses	(18,303,971)	(2,630,328)	(20,934,299)	(23,808,401)
Other operating costs	(495,291)	(41,118)	(536,409)	(1,532,080)
Depreciation, amortization and impairments	(1,945,429)	-	(1,945,429)	(3,625,836)
Share of loss of equity accounted invest- ments	(216,724)	-	(216,724)	-
Profit before tax	(127,765,336)	(6,067,601)	(150,332,937)	290,557,503
Income tax expense	20,957,629	2,645,116	23,602,745	21,125,455
Net profit for the year	(106,807,707)	(3,422,485)	(126,730,192)	311,682,958



Balance Sheet

(In Euro)	For the year ended 31 December 2023			As of 31 December 2024
	Lottomatica S.p.A.	Lottomatica Group S.p.A.	Lottomatica Group S.p.A. Pro-forma	Lottomatica Group S.p.A.
Intangible assets	6,980,452	-	6,980,452	14,285,701
Property, plant and equipment	1,768,946	-	1,768,946	5,139,195
Non-current financial assets	2,143,372,466	527,188,074	2,145,413,580	2,965,691,365
Deferred tax assets	4,587,842	132,766	4,720,608	5,141,522
Other non-current assets	4,449,953	670,210	5,120,163	5,465,590
Total non-current assets	2,161,159,659	527,991,050	2,164,003,749	2,995,723,373
Current financial assets	516,600,810	411,541,643	516,600,810	298,584,558
Tax receivables	6,865	-	6,865	5,377
Other current assets	43,116,312	46,961,243	66,990,293	56,645,143
Cash and cash equivalents	50,768,163	106,325,539	157,093,702	77,517,507
Total current assets	610,492,150	564,828,425	740,691,670	432,752,585
Total assets	2,771,651,809	1,092,819,475	2,904,695,419	3,428,475,958
Share capital	32,350,625	10,000,000	10,000,000	10,000,000
Other reserves	376,520,421	530,780,185	524,874,198	458,150,572
Retained earnings	(91,612,895)	(8,124,804)	(149,226,271)	309,464,144
Total shareholders' equity	317,258,151	532,655,381	385,647,927	777,614,716
Employee benefit liabilities	2,720,382	299,689	3,020,071	3,219,784
Non-current financial liabilities	1,985,441,558	-	1,924,560,204	1,945,498,424
Other non-current liabilities	522,697	-	522,697	423,169
Total non-current liabilities	1,988,684,637	299,689	1,928,102,972	1,949,141,377
Current financial liabilities	449,393,219	522,720,551	560,572,127	665,326,914
Tax payables	-	8,488,226	8,488,226	12,954,609
Current trade payables	7,927,368	863,447	8,790,815	8,117,302
Other current liabilities	8,388,434	27,792,181	13,093,352	15,321,040
Total current liabilities	465,709,021	559,864,405	590,944,520	701,719,865
Total equity and liabilities	2,771,651,809	1,092,819,475	2,904,695,419	3,428,475,958

2.4 Accounting policies and measurement criteria

The following paragraphs briefly describe the key accounting policies and measurement criteria adopted in preparing the Separate Financial Statements. These principles and criteria have been applied consistently for all years presented and are effective as of 31 December 2024.

2.4.1 Distinction of assets and liabilities between current and non-current

Except for deferred tax assets which are always classified as non-current assets, the Company classifies an asset as current when:

- it is held for sale or consumption, or its realization is expected, in the normal course of its operating cycle;
- it is primarily held for the purpose of trading;
- its realization is expected within twelve months from the end of the fiscal year; or
- it is cash or cash equivalents whose use is not subject to constraints or restrictions that would prevent its use for at least twelve months from the end of the fiscal year.

All assets that do not meet the above conditions are classified as non-current.

The Company classifies a liability as current when:

- it expects to settle the liability in its normal operating cycle;
- it holds the liability primarily for the purpose of trading;
- it must be settled within twelve months from the end of the financial year; or
- it does not have an unconditional right to defer the settlement of the liability for at least twelve months from the end of the financial year.

All liabilities that do not meet the above conditions are classified as non-current.

2.4.2 Property, plant and equipment

Property, plant and equipment is recorded at acquisition or production cost net of accumulated depreciation and impairment. Acquisition or production cost includes costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating as well as any expected costs of dismantling and removing the asset and restoring it to its original condition if a contractual obligation exists. Finance expenses directly attributable to the acquisition, construction or production of property, plant and equipment requiring more than one year to construct or produce are capitalized and depreciated over the estimated useful lives of the assets to which they relate.

Expenses incurred for ordinary and/or cyclical maintenance and repairs are charged directly to the consolidated statement of comprehensive income in the year incurred. The capitalization of costs inherent to the expansion, modernization or improvement of facilities owned or used by third parties is recorded solely to the extent that they meet the conditions for being classified separately as an asset or part of an asset. Improvements to leased assets are depreciated over the duration of the relevant lease contract or over the specific estimated useful life of the asset, if less.



Depreciation is calculated on a straight-line basis over the estimated useful life of the individual assets. When an asset being depreciated is composed of separately identifiable elements with useful lives that differ significantly from the other elements that comprise the asset, depreciation is calculated separately for each element, in accordance with the component approach method.

The estimated useful life by class of property, plant and equipment is as follows:

		Estimated useful life
Furniture		8 years
Leasehold improvement	Lower of estimated useful life of the asset and duration of the relevant lease contract	
Other assets		5-8 years

2.4.3 Intangible assets

Intangible assets include identifiable assets without physical substance that are controlled by the Company and expected to produce future economic benefits, as well as goodwill arising on business combinations. The requirement that such assets be identifiable is normally satisfied when an intangible asset is:

- based on a legal or contractual right; or
- separable, in the sense that it may be separately sold, transferred, leased or exchanged.

Control over an intangible asset consists of the right to make use of the future economic benefits deriving from the asset and the ability to limit such access to others.

Intangible assets are initially recognized at acquisition or production cost (inclusive of any non-deductible VAT, which is recognized as a cost), including costs directly attributable to making the asset ready for use. All other subsequent costs are charged directly to profit or loss in the year incurred. Research costs are recognized in the income statement as they are incurred.

Intangible assets with a finite useful life

Intangible assets with a finite useful life are recognized at cost, net of accumulated amortization and impairment losses, if any. Amortization starts when the asset is available for use and is charged systematically over the residual estimated useful life; for details regarding amounts to be amortized and the recoverability of the recognized values of such assets, see the disclosures relating to “Impairment of property, plant and equipment”.

The useful life estimated by the Company is 5 years for software or the different contractual duration and 10 years for trademarks.

2.4.4 Financial assets

Equity investments in subsidiaries

Subsidiaries are those entities over which the Company has the right to exercise, directly or indirectly, control as defined by IFRS 10 “Consolidated Financial Statements”. For the purpose of assessing the existence of control, all three of the following elements should be verified: (i) power over the entity; (ii) exposure to risk or rights arising from variable returns linked to its involvement; (iii) ability to influence the entity, so as to affect the results (positive or negative) for the investor.

Investments in subsidiaries are measured at acquisition cost, including related transaction costs, less impairment (if any). Impairment is recognized in the income statement.

Other financial activities

At the time of their initial recognition, financial assets must be classified into one of the three categories indicated below based on the following elements:

- the entity’s business model for managing financial assets; and
- the terms related to the contractual financial flows of the financial asset.

Financial assets are derecognized when, and only when, disposal involves the substantial transfer of all the risks and rewards of ownership of the financial asset. If, on the other hand, the company retains substantially all the risks and rewards of ownership of the financial asset, it must continue to recognize the financial asset, even if legal ownership has effectively been transferred.

a) Financial assets measured at amortized cost

This category includes financial assets that meet both of the following conditions:

- the financial asset is held within a “Hold to collect” business model, the objective of which is to hold financial assets in order to collect contractual cash; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (i.e., that pass the SPPI test).

At initial recognition, such assets are measured at fair value including directly attributable transaction costs or income. Subsequent to initial recognition, such financial assets are measured at amortized cost, calculated using the effective interest method. The amortized cost method is not used for those assets (measured at historical cost) whose short-term nature means there is no requirement to discount to present value, available assets and revocable credit lines.



b) Financial activities measured at fair value through other comprehensive income

This category includes the financial activities that meet both of the following conditions:

- the financial asset is held within a “Hold to collect and sell” business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (i.e., that pass the SPPI test).

This category also includes equity instruments (other than investments in subsidiaries, associates or joint ventures) not held for sale, for which the option has been exercised to designate the asset at fair value through other comprehensive income.

At initial recognition, such assets are measured at fair value including directly attributable transaction costs or income. Subsequent to initial recognition, equity interests (other than investments in subsidiaries, associates or joint ventures) are measured at fair value, with the offsetting amounts recognized in equity (Statement of comprehensive income) and not subsequently reclassified to profit or loss, even in the event of sale. Related dividends represent the only relevant component recognized in the income statement.

For securities included in this category not quoted in an active market, cost is used as an estimate for fair value under certain limited circumstances, such as when recent information to measure fair value is insufficient or there exists a broad range of possible measures of fair value and cost is considered to be the best estimate of these.

c) Financial assets measured at fair value through profit and loss

This category includes all financial assets other than those measured at “amortized cost” or at “fair value through other comprehensive income”.

It includes financial assets available for sale and derivatives not classified as cash flow hedges (which are recognized as assets if the fair value is positive and liabilities if fair value is negative).

At initial recognition, financial assets measured at fair value through profit or loss are measured at fair value, excluding transaction costs or income that are directly attributable to the instrument in question. Subsequently, they are measured at fair value with related gains and losses being recognized in the income statement.

2.4.5 Cash and cash equivalents

Cash and cash equivalents include cash and available bank deposits as well as short-term, highly liquid investments that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value and have original maturity, or remaining maturity at the date of purchase, not exceeding 3 months. Cash and cash equivalents are recognized at fair value with related changes recorded in the income statement.

2.4.6 Employee severance indemnity

The employee severance indemnity due to employees in accordance with Article 2120 of the Italian Civil Code (“TFR”) is considered a defined benefit plan. Under such plans, the amount of the benefit is only quantifiable following termination of the employment relationship and is dependent upon factors such as age, length of service and level of remuneration; for this reason, the costs charged to the income statement for a given year are determined by actuarial calculation. The liability recognized for defined benefit plans corresponds to the present value of the obligation at the reporting date. The obligations under defined benefit plans are determined each year by an independent actuary, using the projected unit credit method. The present value of defined benefit plans is determined by discounting future cash flows at an interest rate equal to high-quality corporate bonds issued in Euro which reflect the period of the relevant defined benefit plan. The actuarial gains and losses deriving from adjustments in the total liability and the effect of changes in the actuarial assumptions are recognized in the statement of comprehensive income.

With effect from 1 January 2007, the 2007 Finance Law and related decrees implementing the law introduced significant changes to the TFR regulations, including the option for each employee to choose the destination of the accruing indemnity. Specifically, employees may now allocate new TFR flows to alternative external pension plans or elect for them to be retained by the employer. If an external pension plan is chosen, the company is only obliged to make defined contributions to such plan and, accordingly, from the aforementioned date, the related new TFR flows are deemed to be payments to a defined contribution plan not subject to actuarial valuation.

2.4.7 Financial liabilities, trade payables and other payables

Financial liabilities (other than derivative financial instruments), trade payables and other payables are initially recognized at fair value, net of directly attributable transaction costs, and subsequently measured at amortized cost, with any differences being recognized over the life of the liability as required by the effective interest method. If there is a change in the estimate of expected cash flows, the liabilities are remeasured to recognize the present value of the new expected cash flows calculated using the effective interest rate as initially determined.

Derecognition of financial assets and liabilities

A financial asset (or part of a financial asset or part of a group of similar financial assets) is derecognized when:

- rights to the cash flows from the asset have expired;
- the Company has retained the rights to the cash flows from the asset, but has assumed an obligation to pay the cash flows from the asset to third parties, wholly and without delay;
- the Company has transferred its rights to receive the cash flows from the asset and has: (i) transferred substantially all risks and rewards of ownership of the financial asset; or (ii) has neither transferred substantially all risks and rewards nor retained substantially all risks and rewards but has transferred control of the asset.



A financial liability is derecognized when the obligation underlying the liability is extinguished, annulled or fulfilled.

2.4.8 Derivative financial instruments

Derivative financial instruments are accounted for in accordance with IFRS 9.

At the inception of the contract, derivative instruments are initially recognized as financial assets at fair value through profit or loss when the fair value is positive, or financial liabilities at fair value through profit or loss when the fair value is negative. If the financial instruments are not designated as hedging instruments, any changes in fair value after initial recognition are treated as components of profit or loss for the year. If the derivative instruments meet the requirements to qualify as hedging instruments, subsequent changes in fair value are recognized according to the specific criteria described below.

A derivative financial instrument is classified as a hedge if the relationship between the hedging instrument and the hedged item is formally documented, including the risk management objectives, the hedging strategy and the methods that will be used to verify perspective and retrospective effectiveness. The effectiveness of each hedge is assessed both at the inception of the contract and during its life, specifically at each year-end and interim reporting date. A hedge is considered to be highly effective if at the start of the hedge and during subsequent periods, changes in the fair value (in the case of a fair value hedge) or expected future cash flows (in the case of a cash flow hedge) of the hedged item are substantially offset by changes in the fair value of the hedging instrument. IFRS 9 provides for the following three types of hedging relationship:

- I. fair value hedge: when the hedge relates to exposure to changes in the fair value of a recognized asset or liability, changes in the fair value of the hedging instrument as well as changes in the fair value of the hedged item are recognized in profit or loss;
- II. cash flow hedge: in the case of hedges intended to neutralize exposure to variability in cash flows attributable to future execution of commitments in place as of the reporting date, changes in the fair value of the hedging instrument relating to the portion determined to be an effective hedge are recognized in other comprehensive income, and therefore in an equity reserve. When the economic effects of the hedged item crystallize, the amounts recognized in other comprehensive income are then reclassified to profit or loss. Changes in the fair value of the hedging instrument relating to the portion not determined to be an effective hedge are recognized immediately in profit or loss;
- III. hedge of a net investment in a foreign operation (net investment hedge).

If the checks do not confirm the effectiveness of the hedge, the hedge accounting is interrupted with immediate effect and the hedging derivative reclassified as a financial asset at fair value through profit or loss, or financial liability at fair value through profit or loss. Moreover, the hedging relationship shall cease when:

- the derivative matures, is sold, rescinded or exercised;
- the hedged item is sold, expires or is refunded;
- it is no longer highly probable that the future hedged transaction will take place.

2.4.9 Fair value of financial instruments

The fair value of financial instruments is determined in accordance with IFRS 13-Fair value measurement (“IFRS 13”). Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place in the principal market for the asset or liability (i.e., the market with the highest number of transactions involving sale of such assets or transfer of such liabilities). In the absence of a principal market, it is assumed that the transaction takes place in the most advantageous market for the asset or liability to which the Company has access (i.e., the market most likely to maximize the price at which the asset can be sold or minimize the cost at which the liability can be transferred).

The fair value of an asset or liability is determined, using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. Market participants are independent, informed buyers and sellers, able and willing but not obliged to enter into transactions.

In determining fair value, the Company considers the characteristics of specific assets and liabilities and in measuring the fair value of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. Fair value measurement of assets and liabilities is based on the use of appropriate valuation techniques applied to available data, maximizing the use of relevant observable inputs.

IFRS 13 establishes a fair value hierarchy that categorizes into three levels the inputs to valuation techniques used to measure fair value:

- Level 1: Inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: Inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (e.g., for derivatives, exchange rates published by the Bank of Italy, interest rates and yield curves, implied volatilities, credit spreads based on CDS data etc.).
- Level 3: Inputs are unobservable inputs for the asset or liability (management assumptions regarding financial flows, risk-adjusted spreads etc.).

2.4.10 Dividends

Dividends are recognized in the income statement when the shareholders’ right to receive payment is established.

2.4.11 Finance income and expenses

Finance income and expenses are recognized in the income statement during the period to which they relate.



2.4.12 Revenues and costs

In accordance with IFRS 15, revenues from contracts with customers are recognized when the following conditions are met:

- the contract with a customer has been identified;
- the performance obligations in the contract have been identified;
- the transaction price has been determined;
- the transaction price has been allocated to the performance obligations in the contract; and
- when the related performance obligation contained in the contract is satisfied.

The Company recognizes revenue from contracts with customers when (or as) it satisfies its performance obligations, by transferring the promised goods or services (i.e., an asset) to the customer. An asset is transferred when (or as) the customer obtains control of that asset.

The Company transfers control of a good or service over time and, therefore, satisfies a performance obligations and recognizes revenue over time, if one of the following criteria is met:

- the simultaneously receives and consumes the benefits provided by the company's performance as it performs;
- the company's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced;
- the company's performance does not create an asset with an alternative use to the company has an enforceable right to payment for performance completed to date.

If a performance obligation is not satisfied over time, it is satisfied at a point in time.

The consideration included in the contract with the customer may include fixed amounts, variable amounts, or both. If the contract consideration includes a variable amount (e.g. discounts, price concessions, incentives, penalties or other similar items), the company estimates the amount of consideration to which it will be entitled in exchange for the transfer to the customer of the goods or services indicated. The company includes in the transaction price the estimated amount of the variable consideration only to the extent that it is highly probable that a significant downward adjustment in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently solved.

Costs are recognized when they relate to goods or services sold or used in normal business activities; they are recognized either based on systematic allocation or when such goods and services have no further use. Non-deductible value added tax (IVA) is recognized as a cost.

2.4.13 Income taxes

Income taxes are based on an estimate of the taxable income for the year, based on current fiscal legislation, and are recognized in the income statement under "Income tax expense", except in those cases where the tax effects of transactions are recognized directly in equity and the related amounts are charged or credited directly to equity. The statement of comprehensive income reports income taxes relating to each line item reported under "Other items that will not be classified to profit or loss".

Deferred tax assets and liabilities are calculated using the balance sheet liability method and are recognized on temporary differences between the carrying amount of an asset or a liability in the financial statements and its tax base, except for non-deductible goodwill and for those differences related to investments in subsidiaries when the reversal is under the control of the Company and it is probable that they will not reverse in the reasonably foreseeable future. Deferred tax assets, including those relating to unused tax losses carried forward, are recognized to the extent to which it is probable that future taxable profit will be available against which they can be utilized. Tax assets and liabilities are offset, separately for current and deferred taxes, when the income taxes are levied by the same tax authority, there is a legally enforceable right of offset and it is expected that the balance will be settled net. Deferred tax assets and liabilities are computed based on tax rates that are expected to apply in the period in which the asset is recovered or settled to the extent that such rates have been approved at the date of the financial statements.

Other taxes not related to income, such as indirect taxes and levies are reported under "Other operating costs" in the income statement.

In the event of uncertainties over income tax treatments, the company proceeds as follows: (i) if it considers it likely that the tax authorities will accept an uncertain tax treatment, it determines the (current and/or deferred) income taxes to be reported in the financial statements based on the tax treatment that it has applied or expects to apply when filing its returns; (ii) if it concludes it is not probable that the taxation authority will accept an uncertain tax treatment, it reflects the effect of uncertainty in determining the related (current and/or deferred) income taxes to be reported in the financial statements. Moreover, with regard to the matter of uncertain tax liabilities and provisions relating to tax disputes, any potential liabilities relating to income tax disputes are reported as "Current tax payables".



2.5 Use of accounting estimates

The preparation of financial statements in conformity with relevant accounting standards and methods in certain cases requires management to make estimates and assumptions based on subjective judgments, past experience and hypotheses considered reasonable and realistic, given the information known at the time. Such estimates have an effect on the amounts reported in the financial statements, including the statement of financial position, the income statement, the statement of comprehensive income, the statement of cash flows and the related notes to the financial statements. Actual results may then differ, even significantly, from those reported in the financial statements due to changes in the factors considered in determining the estimates, given the uncertainties that characterize the assumptions on which estimates are based.

Many reported account balances are based on estimates and while not all constitute large amounts, the total of such balances is materially significant. Key accounting estimates involving a high degree of subjectivity and judgment on the part of management, where a change in the conditions underlying the assumptions could have a significant effect on the Company’s financial results, are detailed below.

2.5.1 Assessment of equity investments

Equity investments are subject to assessment in order to verify whether a decrease in value has occurred, which must be detected through a write-down, when there are indicators that predict difficulties in recovering their carrying value. The verification of the existence of these indicators requires subjective assessments by management based on the information available within the Company and on the market, as well as from historical experience. Furthermore, if it is determined that a potential decrease in value may occur, the Company proceeds to its determination using valuation techniques deemed appropriate. The correct identification of the elements indicating the existence of a potential decrease in the value of the investments, as well as the estimates for its determination depend on factors that can change over time, influencing the evaluations and estimates made by the administrators.

2.5.2 Share-based payments

The Board of Directors approved the implementation of the medium-long term management incentive plan regulation (“LTIP Regulation”, and “LTIP” in relation to the medium-long term management incentive plan) already approved by the Shareholders’ Meeting of 15 March 2023 and subject to examination by the Appointments and Remuneration Committee (a description of the plan is detailed in Note 6.4). In line with the Stock Option Plan Regulation, the plan has been accounted for at fair value as required by IFRS 2 – Share Based Payment. With reference to the first and second round of assignments, the valuation of the assigned rights was carried out by reflecting the financial market conditions valid on the respective grant date. The methodology adopted to estimate the fair value follows the risk neutral approach; the risk-free rate curve is deducted from the interest rate swap rates present on the market at the grant date.

The following table provides details of the market related data used to determine the fair value of the stock options for the first and second round of assignments.

	Vesting date	Expiration date	Strike price (Euro)	Price at valuation date (Euro)	Annual volatility	Expected dividend rate	Exit annual rate
1° assignments	15 June 2026	15 June 2028	9.00	8.214	45.36%	3.83%	0.00%
2° assignments	14 June 2027	14 June 2029	10.80	10.570	24.35%	3.81%	0.00%

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

	Average annual growth rate of the stock	Stock volatility	Discount rate	Expected dividend rate
1° assignments	3.53%	45.36%	3.53%	3.83%
2° assignments	2.98%	24.35%	2.98%	3.81%

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

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

The following table shows the fair value of the individual option rights assigned. The valuation was based on the assumption made before.

	Unit fair value (Euro)
1° assignments	2.595
2° assignments	1.852

The charge for the year ended 31 December 2024 amounting to Euro 1,332 thousand (Euro 403 thousand for the year ended 31 December 2023) was recognized in the income statement among Personnel costs, with a corresponding offset in equity reserves.

2.5.3 Deferred tax assets

Deferred tax assets are recognized on deductible temporary differences between the carrying amount of an asset or liability in the separate financial statements and its tax base and on unused tax losses carried forward, to the extent it is probable that future taxable profit will be available against which such deferred tax assets can be utilized. Judgment is required on the part of management, involving estimates regarding the timing and level of future taxable profits, to determine the level of deferred tax assets that should be recognized.



2.5.4 Depreciation and amortization

The cost of property, plant and equipment and intangible assets is depreciated/amortized on a straight-line basis over the estimated useful life of each asset. The useful economic life of these assets is determined at the time of purchase, based on historical experience for similar assets, market conditions and expected future events which may affect them, such as technological changes. An asset’s actual useful life may, therefore, be different from its estimated useful life.

2.5.5 Impairment of Property, plant and equipment and intangible assets with definite useful life

In accordance with the accounting standards applied by the Company and the impairment procedure, property, plant and equipment and intangible assets with definite useful life are subject to verification to ascertain whether impairment exists, which is recognized through a write-down, when there are indications that suggest difficulties in recovering the relative net carrying value through use. Verification of whether these indicators exist requires the Directors to make subjective assessments based on information available within the Company and on the market, as well as on historical experience. Additionally, when impairment is identified, the Company determines the amount using the appropriate measurement techniques. Proper identification of potential impairment indicators, as well as the estimation of their amount, depends on factors which may vary over time, influencing measurements and estimates made by the Directors.

2.6 Recently issued accounting standards

2.6.1 Accounting standards effective from 1 January 2024

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

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

The adoption of these amendments did not have significant impacts on the Separate Financial Statements.

2.6.2 Accounting standards not yet applicable as they are not endorsed by the European Union

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

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

Management is currently assessing the potential impacts that application of these standards would have on the Separate Financial Statements.

2.6.3 Accounting principles endorsed by the European Union but not yet applicable

At the approval date of the Separate Financial Statements, the competent bodies of the European Union have approved the following principles and amendments, but they have not yet been adopted by the Company:

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

The Company is evaluating the effects that the application of the aforementioned principles could have on its Separate Financial Statements.



3. Financial risk management

The Company is exposed to the following risks: market risk (interest rate risk), credit risk and liquidity risk. The Company is not involved in transactions that expose it to exchange rate risk.

The Company’s objective is to maintain a balanced approach to managing its financial exposure by matching assets and liabilities and achieving operational flexibility through the use of liquidity generated by operating activities and bank loans.

The financial policy and the management of related financial risks are guided and monitored by the Company’s Chief Executive Officer, who is responsible for strategic direction. The central finance function, within the strategic direction set by the Chief Executive Officer, has the task of evaluating and approving forecast financial requirements, monitors their progress and implements, where necessary, appropriate corrective actions.

The following paragraphs provide qualitative and quantitative information relating to the Company’s exposure to the aforementioned financial risks.

3.1 Interest Rate Risk

3.1.1 Interest rate risk

Changes in interest rates on the variable component of debt and cash may result in higher or lower finance expenses/income. Interest rate swap derivative instruments are used in this risk management activity.

In particular, this risk is mainly attributable to the potential change in the cash flows related to the change in the interest rate on (i) the December 2023 Notes (as defined below) amounting to Euro 500 million (ii) the floating portion of the May 2024 Notes (as defined below) amounting to Euro 400 million, both with coupon indexed to the three-month EURIBOR rate (with a floor of 0%) plus a contractually defined spread.

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

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

3.1.2 Interest rate risk sensitivity analysis

With regard to the interest rate risk arising from the potential change in the interest rates of the abovementioned bonds, a sensitivity analysis was made to determine the effect on consolidated profit and loss and consolidated equity that would result from a hypothetical positive and negative change of 100 bps in interest rates compared to those actually recognized.

The following table shows the results of the analysis carried out:

<i>(In thousands of Euro)</i>	Effect on net profit of the year		Effect on Equity	
Sensitivity analysis	-100 bps	+100 bps	-100 bps	+100 bps
May 2024 Notes		(570)	-	(570)
Total effect for the year	-	(570)	-	(570)

Note: the positive sign indicates a higher profit and an increase in equity; the negative sign indicates a lower profit and a decrease in equity.

The risk reported in the table above refers to the portion of the May 2024 Notes not covered by derivative instruments. The December 2023 Notes is entirely covered by derivative instruments and therefore it is believed that any change in interest rates would not produce any significant economic effect.

3.2 Credit Risk

Credit risk represents the Company’s exposure to the risk of potential losses resulting from the non-fulfilment of obligations by counterparts. Almost all of the Company’s receivables are with direct or indirect subsidiaries as counterparties. Therefore, the Company is not exposed to any credit risk.

3.3 Liquidity Risk

Liquidity risk is the risk that owing to an inability to access new funds or sell assets, the Company is unable to meet its payment obligations, leading to a negative impact on results if it is then obliged to incur additional costs to meet its obligations or deal with insolvency.

The Company manages this risk by seeking to establish a financial structure that, consistent with its business objectives and defined limits: i) ensures sufficient liquidity, while minimizing the related opportunity cost; and ii) maintains an appropriate balance in terms of duration and composition of debt.

The exposure to such risk mainly relates to the commitments associated with the bonds issued respectively on 29 May 2024 for a total amount of Euro 900 million maturing in 2030 for the fixed rate portion and in 2031 for the floating rate portion, on 14 December 2023 for Euro 500 million



maturing in 2030 and on 1 June 2023 for Euro 565 million maturing in 2028, as well as with the revolving credit facility for a total of Euro 400 million (undrawn at the reporting date) and Euro 50 million available for bank guarantees. On 29 May 2024, Lottomatica S.p.A. (merged into Lottomatica Group S.p.A. during 2024), following the exercise of the “early redemption” option, repaid in advance the senior secured notes issued respectively on 27 September 2022 and the floating rate portion of the senior secured notes issued on 1 June 2023 for a total amount of Euro 900 million.

The following table provides an analysis of cash disbursements by due date based on contractual repayment obligations relating to the bonds, trade payables and other liabilities, as of 31 December 2024 and 2023:

<i>(In thousands of Euro)</i>	Carrying amount as of 31 December 2024	Within 1 year	Between 1 and 5 years	Over 5 years	Total
Notes	1,942,805	126,217	1,009,645	1,486,565	2,622,427
Other current and non-current financial liabilities	668,020	656,613	11,407	-	668,020
Trade payables	8,117	8,117	-	-	8,117
Other current and non-current liabilities	15,744	15,321	423	-	15,744

Note: Notes amounts relating to due dates “Within 1 year”, “Between 1 and 5 years” and in “Over 5 years” also include the contractual interest.

<i>(In thousands of Euro)</i>	Carrying amount as of 31 December 2023	Within 1 year	Between 1 and 5 years	Over 5 years	Total
Other current and non-current financial liabilities	522,721	522,721	-	-	522,721
Trade payables	863	863	-	-	863
Other current and non-current liabilities	27,792	27,792	-	-	27,792

3.4 Risk related to climate change

The Company considers the prevention and management of risks which could jeopardize the attainment of the Company’s objectives and its ability to continue as a going concern as a strategic priority. The Company has therefore identified the main risks related to climate change or environmental issues that may have implications or an impact on its business. The potential risks identified are those arising from climate change, both in terms of physical risks, i.e. more frequent extreme weather events or gradual climate change (e.g. floods, increase in temperatures, decrease in resources, etc.) or increase in operating costs due to extraordinary maintenance activities (e.g. restoring assets to their original conditions following any damage suffered), and in terms of transition risks, i.e. related to the transition to a low-carbon economy and the resulting government policies.

However, the Company’s current exposure to consequences of climate change is limited -in terms of its ability to influence its strategies and financial cash flows (see the Consolidated sustainability statement for more details).

4. Capital Management

The Company’s capital management is aimed at guaranteeing solid credit ratings and adequate capital indicators to support its investment plans, while meeting contractual obligations.

The Company ensures it has sufficient capital to finance its business development needs and meet operating requirements; to guarantee a balanced financial structure and minimize the total cost of capital, finances are sourced through a mix of risk capital and debt.

Returns on capital are monitored by reviewing market trends and business performance, net of other commitments, including borrowing costs. In order to ensure the Company’s going concern status, develop the business and provide an adequate return on capital, Company monitors trend of debt to equity on an ongoing basis, as well as monitoring debt with respect to business trends and expected future cash flows in the medium/long term.

Dividend policy

The Company’s and the Group’s objective is to pursue a long-term sustainable strategy that allows an adequate return for its shareholders, while maintaining adequate funds to finance business growth and maintain a solid capital base that allows it to deal with any changes in the reference legislation and potential economic downturns. On 15 March 2023, the Company’s Board of Directors approved a shareholder remuneration policy in the medium/long term, drawn up on the basis of the economic-financial perspective and the capital structure of the Company, envisaging target dividend distribution for an amount up to 30% of the consolidated net profit attributable to the Group (subject to the required approval by the shareholders’ meeting), adjusted for: (i) depreciation on the higher values of the assets of the companies or business acquired recognized in the consolidated financial statements of the Lottomatica Group compared to the book values at the date of acquisition; (ii) non-recurring costs and income excluded from the calculation of Adjusted EBITDA, (iii) finance income and expenses which, by their nature, should not reasonably recur in the future, (iv) other non-monetary items including in finance expenses and (v) tax effects on the aforementioned adjustments. This policy is subject to the achievement of the Group’s strategic investment plans, the financial and investment needs and, among other things, the compliance with any limitations from time to time set forth in the contractual documentation relating to the Lottomatica Group’s financial indebtedness, as well as the availability of distributable profits and/or reserves resulting from the separate financial statements of the Company.



5. Financial assets and liabilities by category

The following table provides a breakdown of the Company’s financial assets and liabilities as required by IFRS 7, according to the categories identified by IFRS 9 on 31 December 2024 and on 31 December 2023:

<i>(In thousands of Euro)</i>	Financial assets and receivables at amortized cost	Financial assets at FVTOCI	Financial liabilities and liabilities at amortized cost	Financial liabilities at FVTOCI	As of 31 December 2024
Current and non-current financial assets*	1,214,417	-	-	-	1,214,417
Other current and non-current assets	62,111	-	-	-	62,111
Cash and cash equivalents	77,518	-	-	-	77,518
Total	1,354,046	-	-	-	1,354,046
Current and non-current financial liabilities	-	-	2,599,418	11,407	2,610,825
Trade payables	-	-	8,117	-	8,117
Other current and non-current liabilities	-	-	15,744	-	15,744
Total	-	-	2,623,279	11,407	2,634,686

* The amount does not include the Investments in subsidiaries.

<i>(In thousands of Euro)</i>	Financial assets and receivables at amortized cost	Financial liabilities and liabilities at amortized cost	As of 31 December 2023
Current and non-current financial assets*	472,423	-	472,423
Other current and non-current assets	47,631	-	47,631
Cash and cash equivalents	106,326	-	106,326
Total	626,380	-	626,380
Current and non-current financial liabilities	-	522,721	522,721
Trade payables	-	863	863
Other current and non-current liabilities	-	27,792	27,792
Total	-	551,376	551,376

* The amount does not include the Investments in subsidiaries.

As of 31 December 2024, it is noted that “Current and non-current financial liabilities” include the notes issued on 1 June 2023, on 14 December 2023 and 29 May 2024, the fair value of which amounted to Euro 594,385 thousand, Euro 508,935 thousand and Euro 925,962 thousand, respectively.

Other financial assets and liabilities are short-term or valued at market rates and, consequently, their fair value is deemed to be substantially in line with their book value.

Fair value measurement

The fair value of financial instruments listed on an active market is based on market prices at the reporting date. The fair value of instruments that are not listed on an active market is determined using valuation techniques based on a series of methods and assumptions linked to market conditions at the date of the respective financial statements. The classification of the fair value of financial instruments on the basis of the hierarchical levels that categorize the inputs to valuation techniques used to measure fair value, is shown below:

- Level 1: inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2: inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: inputs are unobservable inputs for the asset or liability.

The following table shows the financial instruments measured at fair value according to the relevant hierarchy level:

<i>(In thousands of Euro)</i>	Level 1	Level 2	Level 3	As of 31 December 2024
Derivative financial instruments liabilities	-	(11,407)	-	(11,407)
Total	-	(11,407)	-	(11,407)

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



6. Notes to the statement of comprehensive income

6.1 Dividends, finance income and expenses

The following table provides a breakdown of “Dividends, finance income and expenses”:

(In thousands of Euro)	For the year ended 31 December	
	2024	2023
Dividends from subsidiaries	448,249	16,500
Net Income from equity investments	448,249	16,500
Interest income from Group companies	56,631	5,445
Other interest income	8,837	2,149
Financial income	65,468	7,594
Interest expense on notes	(115,342)	-
Amortized cost on notes	(27,928)	-
IRS interest expense	(22,700)	-
Interest expense on Revolving Credit Facility	(5,689)	-
Interest expense on Gamma Bondco loan	-	(23,419)
Interest expenses on cash pooling	(3,263)	(2,035)
Other interest expense	(26,554)	(96)
Financial expenses	(201,476)	(25,550)
Net Financial income / (expenses)	312,241	(1,456)

“Net income from equity investments” amounted to Euro 448,249 thousand for the year ended 31 December 2024 (Euro 16,500 thousand for the year ended 31 December 2023) and related to dividends paid by GBO Italy S.p.A. for Euro 400,000 thousand and GGM S.p.A. for Euro 48,249 thousand. For the year ended 31 December 2023, the item referred to the dividends distributed by the subsidiary Lottomatica S.p.A., merged into Lottomatica Group S.p.A. during 2024.

“Finance income” amounted to Euro 65,468 thousand for the year ended 31 December 2024 (Euro 7,594 thousand for the year ended 31 December 2023) and related to interest accrued on loans granted to the subsidiary GBO Italy S.p.A. and Big Easy S.r.l. for Euro 56,616 thousand.

“Interest expense on notes” included the interest accrued on notes issued, in particular:

- Euro 14,124 thousand related to 2022 Notes (as defined below);
- Euro 54,461 thousand related to June 2023 Notes (as defined below);
- Euro 20,317 thousand related to December 2023 Notes (as defined below);
- Euro 26,440 thousand related to May 2024 Notes (as defined below).

“Amortized cost on notes” related to the valuation at amortized cost of the notes, in particular:

- Euro 7,494 thousand related to 2022 Notes (as defined below);
- Euro 17,931 thousand related to June 2023 Notes (as defined below);
- Euro 1,513 thousand related to December 2023 Notes (as defined below);
- Euro 990 thousand related to May 2024 Notes (as defined below).

The item also included Euro 21,283 thousand relating to the acceleration of the amortized cost on the Notes Repaid (as defined below), which were fully recognized following their early repayment.

“Interest expense on Gamma Bondco loan” amounted to Euro 23,419 thousand for the year ended 31 December 2023 and included interest accrued on the loan granted by Gamma Bondco S.à.r.l of Euro 6,497 thousand and the prepayment penalty relating to the early repayment of the same, which took place during 2023, amounting to Euro 16,473 thousand.

“Interest expense on Revolving Credit Facility” mainly related to the commissions for the revolving credit facility agreement.

“Other interest expense” related to the make-whole resulting from the early repayment of the 2024 Notes Repaid (as defined below) for Euro 26,443 thousand.

The following table provides a breakdown of finance income and expenses with related parties:

(In thousands of Euro)	For the year ended 31 December	
	2024	2023
Dividends from GBO	400,000	-
Dividends from GGM	48,249	-
Dividends from Lottomatica*	-	16,500
Interest income from GBO for loan	56,321	-
Interest income from Big Easy for loan	295	-
Interest income from GBO for cash pooling	8	-
Interest income from GGM for cash pooling	5	-
Interest income from Marim for cash pooling	2	-
Interest income from Lottomatica loan*	-	3,978
Interest income from Lottomatica for cash pooling*	-	1,467
Interest expense from GBO Italy for cash pooling	(1,533)	(1,150)
Interest expense from Lottomatica Videolot Rete for cash pooling	(784)	(428)
Interest expense from Betflag for cash pooling	(384)	(218)
Interest expense from PWO Limited (formerly SKS365 Malta Limited) for cash pooling	(253)	-
Interest expense from Gamenet for cash pooling	(194)	(161)
Interest expense from Jolly Group for cash pooling	(43)	(31)
Interest expense from Billions for cash pooling	(18)	(9)
Interest expense from Gnetwork for cash pooling	(17)	(12)
Interest expense from Big Easy for cash pooling	(16)	(14)
Interest expense from Big Easy Bingo for cash pooling	(7)	(7)
Interest expense from Agesoft for cash pooling	(4)	(3)
Interest expense from Ricreativo for cash pooling	(4)	-
Interest expense from Totosi (formerly Macao Phygital) for cash pooling	(2)	-
Interest expense from Giocaonline for cash pooling	(2)	-
Interest expense from Rete Gioco Italia for cash pooling	(1)	-
Interest expense from GPRO for cash pooling	(1)	-
Interest expense on Gamma Bondco loan	-	(23,419)
Interest expense from Marim for cash pooling	-	(2)
Total	501,617	(3,509)

* Merged into Lottomatica Group S.p.A. in 2024.



6.2 Other income

	For the year ended 31 December	
(In thousands of Euro)	2024	2023
Revenues from Group companies	27,674	1,252
Other	26	1
Total	27,700	1,253

“Revenues from Group companies” refers to the income from recharge of corporate services provided to other Group companies.

The following table provides a breakdown of other income with related parties:

	For the year ended 31 December	
(In thousands of Euro)	2024	2023
Revenues of services to GBO Italy	14,583	-
Revenues of services to Gamenet	5,594	-
Revenues of services to Lottomatica Videolot Rete	4,225	-
Revenues of services to Big Easy	799	-
Revenues of services to Betflag	734	-
Revenues of services to Jolly Group	580	-
Revenues of services to Billions Italia	310	-
Revenues of services to Ricreativo B	223	-
Revenues of services to Gnetwork	160	-
Revenues of services to Big Easy Bingo	120	-
Revenues of services to Lottomatica Digital Solution	105	-
Revenues of services to Giocaonline	83	-
Revenues of services to Marim	63	-
Revenues of services to Agesoft	48	-
Revenues of services to PWO Limited (formerly SKS365 Malta Limited)	31	-
Revenues of services to Ares	16	-
Revenues of services to Lottomatica*	-	1,252
Total	27,674	1,252

* Merged into Lottomatica Group S.p.A. in 2024.

6.3 Cost of services

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

	For the year ended 31 December	
(In thousands of Euro)	2024	2023
Tax, administrative and legal consultancy costs	(6,983)	(1,062)
Bank and insurance expenses	(2,637)	(567)
Board of Directors remunerations and costs	(1,645)	(1,027)
Marketing and advertising	(1,073)	(25)
Technical assistance and network management	(793)	-
Leases and rentals	(694)	(18)
Utility costs, postal and logistics costs, security services	(147)	-
Other	(6,437)	(494)
Total	(20,409)	(3,193)

“Tax, administrative and legal consultancy costs” mainly included strategic consultancy costs amounting to Euro 2,924 thousand.

“Other” mainly includes costs of services offered by other companies in the Group.

The following table provides a breakdown of cost of services with related parties:

	For the year ended 31 December	
(In thousands of Euro)	2024	2023
Cost of services from Gamenet	(1,136)	-
Cost of services from Gnet	(897)	-
Cost of services from Lottomatica UK	(284)	-
Cost of services from GBO Italy	(53)	-
Cost of services from Lottomatica Videolot Rete	(43)	-
Cost of services from Lottomatica Digital Solution	(19)	-
Cost of services from Agesoft	(13)	-
Cost of services from PWO Limited (formerly SKS365 Malta Limited)	(8)	-
Total	(2,453)	-

6.4 Personnel expenses

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

	For the year ended 31 December	
(In thousands of Euro)	2024	2023
Remuneration	(16,512)	(2,104)
Social security contributions	(3,770)	(384)
Other personnel costs	(3,526)	(142)
Total	(23,808)	(2,630)

The following table shows the number of employees of the Company by category.

	Number as of 31 December 2024	Average number 2024	Number as of 31 December 2023	Average number 2023
Executives	23	9	6	6
Middle managers	44	8	1	1
White collar	136	23	-	-
Blue collar	2	-	-	-
Total	205	40	7	7

Long-term incentive plan – Stock Option Plan

On 15 March 2023, the shareholders meeting of the Company approved the “Stock Option Plan 2023-2026” (the “**Plan**”), effective subject to the first trading date, which provides for the assignment, on an annual basis, over a three-year period of option rights granting the right to certain members of management, identified by the Board of Directors of the Company from time to time, to subscribe to the ordinary shares of the Company.

The Plan has the following objectives: (i) align the interests of the beneficiary of the Plan with those of the shareholders and investors of the Group and with the strategic plan of the group as a whole; and (ii) incentivize the long-term retention of those members of management benefitting from the Plan.

On 15 June 2023, the Board of Directors approved the implementation of the plan regulation.

The Plan provides for the assignment to the beneficiaries of free option rights, that entitle the right to subscribe to the Company’s shares according to a 1:1 ratio (i.e., each option grants the right to subscribe one share) at a determined price (the “**Options**”), provided that the beneficiaries are still employees or directors of the Company or its subsidiaries at the time of the exercise of the Options. The Options may be assigned from 15 June 2023 until 31 December 2025. The Plan has a multian-
nual duration and is subdivided into three cycles, with a three-year vesting period (the “**Vesting Period**”) for the Options granted under each cycle.

The Options granted to each beneficiary may be exercised within five years from the grant date. Of the shares resulting from the exercise of the Options, 20% of these will be subject to a one-year lock-up period from the end of the Vesting Period and another 20% to a two year lock-up period from the end of the Vesting Period.

Upon advice from the Appointments and Remuneration Committee, the Board of Directors deter-
mines the total number of Options that can be assigned to beneficiaries for each cycle and may impose performance conditions to be met by the beneficiary in order for the Options to vest. The performance measurement period will ordinarily be three years.



6.5 Other operating costs

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

	For the year ended 31 December	
(In thousands of Euro)	2024	2023
Purchase of goods and other purchases	(121)	-
Taxes and sundry duties	(33)	(1)
Entertainment expenses	(23)	-
Fines, penalties and losses on receivables	(4)	(2)
Other expenses	(1,351)	(38)
Total	(1,532)	(41)

“Other expenses” amounting to Euro 1,532 thousand for the year ended 31 December 2024 (Euro 41 thousand for the year ended 31 December 2023) and refers to the contribution made to the Lot-
tomatica Foundation for Euro 1 million.

6.6 Depreciation, amortization and impairments

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

	For the year ended 31 December	
(In thousands of Euro)	2024	2023
Amortization of intangible assets	(2,757)	-
Depreciation of property, plant and equipment	(869)	-
Total	(3,626)	-

For further details regarding movements of intangible assets, property, plant and equipment and right of use, please refer to Note 7.1 and 7.2.



6.7 Income taxes

Income taxes” for the year ended 31 December 2024 amount to Euro 21,125 thousand (Euro 2,645 thousand for the year ended 31 December 2023).

The following table presents the reconciliation between the theoretical tax charge and the reported tax expense for the year.

Tax rate reconciliation 2024		
IRES	Taxable	Tax
Result before taxes	290,558	
Theoretical income tax charge	24%	69,734
Permanent increasing differences	133,941	32,146
Permanent decreasing differences	(446,380)	(107,131)
Net effect	(312,439)	(74,985)
Temporary increasing differences	3,139	753
Temporary decreasing differences	(4,849)	(1,164)
Net effect	(1,710)	(410)
Other changes	185	45
Net effect	(313,964)	(75,351)
Total (A)		(5,617)
ROL/interest expense transferred to the tax consolidation (B)		(15,918)
Deferred taxes effect (C)		410
Effective income tax charge (A+B+C)		(21,125)

Tax rate reconciliation 2023		
IRES	Taxable	Tax
Result before taxes	(6,068)	
Theoretical income tax charge	24%	(1,456)
Permanent increasing differences	21,375	5,130
Permanent decreasing differences	(43,183)	(10,364)
Net effect	(21,808)	(5,234)
Temporary increasing differences	549	132
Net effect	549	132
Net effect	(21,259)	(5,102)
Total (A)		(6,558)
ROL/interest expense transferred to the tax consolidation (B)		(2,552)
Tax effect on IPO costs reclassified to equity (C)		6,597
Deferred taxes effect (D)		(132)
Effective income tax charge (A+B+C+D)		(2,645)

7. Notes to the statement of financial position

7.1 Intangible assets

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

(In thousands of Euro)	Software	Trademarks	Assets under development and other intangible	Total
Cost as of 31 December 2023	-	-	-	-
Accumulated amortization as of 31 December 2023	-	-	-	-
Net book amount as of 31 December 2023	-	-	-	-
Merger contribution	9,861	3	628	10,492
Additions	5,183	-	4,881	10,064
Amortization for the year	(6,267)	(2)	-	(6,269)
Disposal	(1)	-	-	(1)
Reclassifications	607	-	(607)	-
Cost as of 31 December 2024	15,650	3	4,902	20,555
Accumulated amortization as of 31 December 2024	(6,267)	(2)	-	(6,269)
Net book amount as of 31 December 2024	9,383	1	4,902	14,286

The additions of “Software” included the purchase of application software for the Group’s platforms, the upgrade of the company’s ERP systems and the purchase of Microsoft and SAP licenses.

“Assets under development and other intangible” mainly related to HR software development and enterprise ERP systems.

7.2 Property, plant and equipment

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

(In thousands of Euro)	Other assets	Furniture	Leasehold improvements	Total
Cost as of 31 December 2023	-	-	-	-
Accumulated amortization as of 31 December 2023	-	-	-	-
Net book amount as of 31 December 2023	-	-	-	-
Merger contribution	1,927	54	44	2,025
Additions	4,233	6	-	4,239
Amortization for the year	(1,087)	(17)	(21)	(1,125)
Cost as of 31 December 2024	6,160	60	44	6,264
Accumulated amortization as of 31 December 2024	(1,087)	(17)	(21)	(1,125)
Net book amount as of 31 December 2024	5,073	43	23	5,139

Additions during the year mainly related to new storage systems, electronic machines and IT security equipment.



7.3 Current and non-current financial assets

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

<i>(In thousands of Euro)</i>	As of 31 December	
	2024	2023
Investment in subsidiaries	2,049,859	466,307
Receivables from subsidiaries	915,832	60,881
Receivables from Group companies for cash pooling	250,336	411,542
Other financial receivables	48,249	-
Total	3,264,276	938,730

“Investment in subsidiaries” related to the equity investment in GBO S.p.A. and GGM S.p.A. for Euro 1,147,721 thousand and Euro 902,139 thousand as of 31 December 2024, respectively. As of 31 December 2023, the item included the investment in Lottomatica S.p.A. for Euro 466,307 thousand, merged into Lottomatica Group S.p.A during 2024.

The following information is provided regarding the equity investment in the subsidiaries:

<i>(In thousands of Euro)</i>								
Name	City or Foreign State	Share capital	Equity as of 31 December 2024	Profit/(Loss) at 31 December 2024	%	Carrying value (A)	Equity share (B)	Difference (A-B)
GGM S.p.A.	Rome	€27,239	945,073	49,030	96.5%	902,139	911,995	(9,856)
GBO S.p.A.	Rome	€300	581,664	328,207	100.0%	1,147,721	581,664	566,057

In accordance with the provisions of IAS 36, the Company has conducted an analysis to identify any impairment indicators and/or losses on the subsidiary. For the subsidiary GBO S.p.A. the carrying value higher than equity share was not considered an impairment indicator considering results and profitability of its subsidiaries. As of 31 December 2024, management of the Company did not identify any impairment indicators and therefore the impairment test was not performed.

“Receivables from subsidiaries” included:

- the loan granted to the subsidiary GBO S.p.A. for Euro 346,900 thousand. This loan was granted on 18 November 2022 in order to finance the acquisition of Betflag S.p.A. by GBO Italy S.p.A., bearing interest at an annual rate of 7% plus an additional spread of 0.50% per annum to be paid quarterly, maturing 30 April 2027. It is possible to exercise the capitalization option for interests accrued from 1 January 2024, applying an additional interest of 0.75% on them;
- the loan granted to the subsidiary GBO S.p.A. for a principal amount of Euro 500,000 thousand. This amount related to the loan granted on 22 April 2024 in order to finance the acquisition of SKS365 Malta Holding Limited, bearing interest at an annual rate of 7% plus an additional spread of 0.50% per annum to be paid semiannually, maturing on 13 December 2030. It is possible to exercise the capitalization option for interests accrued, applying an additional interest of 0.75% on them.

“Receivables from Group companies for cash pooling” refers to the credit for the balances transferred daily from the companies of the Group to the Company under the centralized treasury system (i.e, cash pooling), of which it became the pooler.

“Other receivables” included receivables for dividends approved by the subsidiary GGM S.p.A. but not yet paid as of 31 December 2024.

The following table provides a summary of key information relating to “Current and non-current financial assets”.

<i>(In thousands of Euro)</i>	As of 31 December 2024	Of which current	As of 31 December 2023	Of which current
Investment in subsidiaries	2,049,859	-	466,307	-
Receivables from subsidiaries	915,832	-	60,881	-
Receivables from Group companies for cash pooling	250,336	250,336	411,542	411,542
Other financial receivables	48,249	48,249	-	-
Total	3,264,276	298,585	938,730	411,542

The table below shows the detail of the financial receivables from the Group companies.

<i>(In thousands of Euro)</i>	As of 31 December	
	2024	2023
Receivables from GBO for loans	846,900	-
Receivables from GBO for cash pooling	249,250	-
Receivables from GBO for interests	68,932	-
Receivables from GGM for dividends	48,249	-
Receivables from Big Easy for cash pooling	733	-
Receivables from Ares for cash pooling	352	-
Receivables from Bakoo for cash pooling	1	-
Receivables from Lottomatica for cash pooling*	-	411,542
Receivables from Lottomatica*	-	60,881
Total	1,214,417	472,423

* Merged into Lottomatica Group S.p.A. in 2024.

7.4 Deferred tax assets and deferred tax liabilities

The following table shows the movement of “Deferred tax assets and liabilities”:

<i>(In thousands of Euro)</i>	As of 31 December 2023	Merger contribution	Charges/ releases to the income statement	Charges/ releases to the statement of comprehensive income	As of 31 December 2024
Deferred tax assets					
Tax losses	-	2,139	-	-	2,139
Cash flow hedge reserve	-	1,809	-	928	2,737
Other	133	580	43	-	756
Total deferred tax assets	133	4,528	43	928	5,632
Deferred tax liabilities					
Approved dividends but not yet paid	-	-	(452)	-	(452)
Employee benefit liabilities	-	59	-	(97)	(38)
Total deferred tax liabilities	-	59	(452)	(97)	(490)
Total deferred tax assets, net	133	4,587	(409)	831	5,142

“Deferred tax assets” amounted to Euro 133 thousand as of 31 December 2023 and related to deferred taxes recorded in 2023 on accruals for bonus.

7.5 Other current and non-current assets

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

<i>(In thousands of Euro)</i>	As of 31 December	
	2024	2023
Receivables from Group companies for tax consolidation	41,834	44,207
Accrued income and prepayments	9,288	1,608
Receivables from Group companies for service recharge	9,561	1,285
Tax receivables	1,399	530
Guarantee deposits	23	-
Other receivables	6	1
Total	62,111	47,631

“Receivables from Group companies for service recharge” related to corporate services offered to the Group companies.

“Accrued income and prepayments” mainly includes the recognition of the prepayment on arrangement fees and underwriting fees related to the Revolving Credit Facility.

The following table provides a summary of key information relating to “Other current and non-current assets”.

<i>(In thousands of Euro)</i>	As of 31 December 2024	Of which current	As of 31 December 2023	Of which current
Receivables from Group companies for tax consolidation	41,834	41,834	44,207	44,207
Accrued income and prepayments	9,288	3,874	1,608	938
Receivables from Group companies for service recharge	9,561	9,561	1,285	1,285
Tax receivables	1,399	1,370	530	530
Guarantee deposits	23	-	-	-
Other receivables	6	6	1	1
Total	62,111	56,645	47,631	46,961



The table below shows the detail of the receivables from the Group companies:

<i>(In thousands of Euro)</i>	As of 31 December	
	2024	2023
Receivables from GBO Italy	33,120	18,660
Receivables from Betflag	9,572	13,590
Receivables from Big Easy	1,821	3,158
Receivables from Gamenet	1,457	-
Receivables from Lottomatica Videolot Rete	1,287	5,929
Receivables from Ricreativo	1,118	-
Receivables from GGM	815	361
Receivables from Jolly Group	426	670
Receivables from GBO	400	-
Receivables from Giocaonline	385	929
Receivables from Billions Italia	291	274
Receivables from Marim	221	-
Receivables from Big Easy Bingo (formerly Battistini Andrea)	196	317
Receivables from Gamenet PRO	100	-
Receivables from Gnetwork	62	-
Receivables from Agesoft	49	30
Receivables from Lottomatica Digital Solutions	36	7
Receivables from PWO Limited (formerly SKS365 Malta Limited)	31	-
Receivables from Ares	5	-
Receivables from Tecnomar	3	3
Receivables from Lottomatica*	-	1,285
Receivables from Slottery**	-	258
Receivables from AB Games***	-	21
Total	51,395	45,492

* Merged into Lottomatica Group S.p.A. in 2024.

** Merged into Big Easy in 2024.

*** Merged into Big Easy Bingo in 2024.

7.6 Cash and cash equivalents

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

<i>(In thousands of Euro)</i>	As of 31 December	
	2024	2023
Bank deposits	77,512	106,323
Cash on hand	6	3
Total	77,518	106,326

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

7.7 Equity

Share capital

The Company’s share capital amounted to Euro 10,000 thousand as of 31 December 2024 and was divided into 251,630,412 ordinary shares without nominal value (unchanged from 31 December 2023).

Legal Reserve

The “Legal Reserve” amounted to Euro 10 thousand as of 31 December 2024 (Euro 10 thousand as of 31 December 2023).

Share Premium Reserve

The share premium reserve amounts to Euro 368,408 thousand as of 31 December 2024 (Euro 433,831 thousand as of 31 December 2023). This reserve originates from the capital increase on the listing of the Company on 3 May 2023. During 2024, this reserve decreased for Euro 65,424 thousand following the dividend distribution approved by the Company’s shareholders’ meeting on 9 April 2024.

The “Share premium reserve” is stated net of the transaction costs of the capital increase and the associated tax effect.

Capital contribution reserve

“Capital contribution reserve” amounted to Euro 96,538 thousand as of 31 December 2024 and 2023.

Equity also includes:

- “Stock option reserve” related to the application of IFRS 2, for Euro 1,736 thousand as of 31 December 2024 (Euro 403 thousand as of 31 December 2023);
- “Actuarial gain/losses reserves” related to the application of IAS 19, positive for Euro 128 thousand as of 31 December 2024 (negative for Euro 3 thousand as of 31 December 2023);
- “Gains and losses on hedging derivatives reserves” related to the application of IFRS 9, positive for Euro 8,669 thousand as of 31 December 2024.

The following table provides, for each specific item, information about their origin, possibility of use and distribution use, as well as their use in the last three years.

<i>(In thousands of Euro)</i>	As of 31 December 2024	Origin	Possible utilization	Distributable share	Use in previous three years
Share capital	10,000				
Legal reserve	10	Capital	B	-	-
Share premium reserve	368,408	Capital	A;B;C	368,408	65,424
Capital contribution reserve	96,538	Capital	A;B;C	96,538	16,250
Stock option reserve	1,736	Earnings		-	-
Gains / (losses) on hedging derivatives reserve	(8,669)	Earnings		-	-
Actuarial gain/losses reserve	128	Earnings		-	-
Total other reserve	458,141				
Retained Earnings/ (Losses)	(2,219)	Earnings		-	-
Net profit for the year	311,683			-	-
Total	777,615			464,946	81,674

Legend:
A - for share capital increase
B - to cover losses
C - for distribution to shareholders

The distributable share of reserves has been determined taking into account any share that must be allocated to cover negative reserves.

7.8 Employee benefit liabilities

The following table provides a breakdown of “Employee benefit liabilities”:

<i>(In thousands of Euro)</i>	
Employee benefit liabilities	Total
Balance as of 31 December 2022	-
Service cost	19
Interest cost	6
Actuarial gains/(losses)	4
Transfers	271
Balance as of 31 December 2023	300
Merger contribution	2,967
Service cost	22
Interest cost	107
Advances and benefits paid	(117)
Actuarial gains/(losses)	(59)
Balance as of 31 December 2024	3,220

The increases as of 31 December 2024 are mainly due to the effects of the Merger.

The following tables detail the main financial and demographic assumptions used in the actuarial calculations:

As of 31 December		
Financial assumptions	2024	2023
Discount rate	3.38%	3.17%
Inflation rate	2.00%	2.00%
Annual TFR increase	3.00%	3.00%
Annual salary increase	Executives 2.50%	Executives 2.50%
	Middle managers 1.00%	Middle managers 1.00%
	White collar 1.00%	White collar 1.00%
	Blue collar 1.00%	Blue collar 1.00%
Demographic assumptions		
Mortality rate	ISTAT 2022	
Disability	INPS (social security) tables by age and gender	
Retirement	100% on reaching AGO requirements	
Annual turnover and frequency of advance payments		
Frequency of advance payments	0.50%	
Turnover rate	10.00%	

The following table shows the results of sensitivity analyses performed for each actuarial assumption, highlighting the effects (in absolute terms) that would have occurred upon reasonable possible changes, as of 31 December 2024, in actuarial assumptions:

<i>(In thousands of Euro)</i>	
Change in assumption	Amount
Turnover rate +1.00%	3,227
Turnover rate -1.00%	3,212
Inflation rate +0.25%	3,263
Inflation rate -0.25%	3,178
Discount rate +0.25%	3,166
Discount rate -0.25%	3,276

The average financial duration of the obligation as of 31 December 2024 was 11.1 years. The following table provides a summary overview of expected plan disbursements:

<i>Expected disbursements</i>	
Years	<i>(In thousands of Euro)</i>
1	488
2	400
3	414
4	440
5	435



7.9 Current and non-current financial liabilities

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

<i>(In thousands of Euro)</i>	As of 31 December	
	2024	2023
Notes	1,934,091	-
Accrued interest- Notes	8,714	-
Interest Rate Swap liabilities	13,147	-
Financial liabilities to Group companies	654,873	522,721
Total	2,610,825	522,721

“Notes” included senior secured notes issued on 1 June 2023, 14 December 2023 and 29 May 2024 for principal amounts of Euro 565,000 thousand, Euro 500,000 thousand and Euro 900,000 thousand respectively, recognized at amortized cost. Transaction costs incurred for the main part included professional fees related to the notes issue as well as the discount on issue (the latter in relation to the December 2023 Notes). During 2024, Lottomatica S.p.A. (merged into the Company during 2024) early repaid the notes issued on 27 September 2022 and the floating portion of the notes issued on 1 June 2023 for a total of Euro 900 million.

“Interest Rate Swap liabilities” mainly related to the fair value of the derivative contracts of a total notional amount of Euro 775,000 thousand to partially hedge the risk linked to a potential change in the interest rate of the floating rate portion of the May 2024 Notes and December 2023 Notes (as defined below). The total fair value is a negative amount of Euro 11,407 thousand as of 31 December 2024.

“Financial liabilities to Group companies” refers to payables for the balances transferred daily by subsidiaries to Lottomatica Group under the centralized treasury system (i.e. cash pooling).

The following table provides a breakdown of financial liabilities with the Group companies:

<i>(In thousands of Euro)</i>	As of 31 December	
	2024	2023
Financial liabilities to GBO Italy for cash pooling	205,987	299,197
Financial liabilities to PWO Limited (formerly SKS365 Malta Limited) for cash pooling	137,657	-
Financial liabilities to Lottomatica Videolot Rete for cash pooling	115,073	109,432
Financial liabilities to Betflag for cash pooling	92,975	56,445
Financial liabilities to Gamenet for cash pooling	50,822	41,393
Financial liabilities to GGM for cash pooling	25,604	-
Financial liabilities to Totosi (formerly Macao Phygital) for cash pooling	5,937	-
Financial liabilities to Jolly Group for cash pooling	5,733	7,014
Financial liabilities to Billions for cash pooling	3,772	2,525
Financial liabilities to Gnetwork for cash pooling	3,616	3,181
Financial liabilities to Rete Gioco Italia for cash pooling	3,040	-
Financial liabilities to Ricreativo for cash pooling	2,582	-
Financial liabilities to Marim for cash pooling	592	5
Financial liabilities to Big Easy Bingo (formerly Battistini Andrea) for cash pooling	576	1,325
Financial liabilities to Agesoft for cash pooling	468	-
Financial liabilities to Gpro for cash pooling	146	-
Financial liabilities to Giocaonline for cash pooling	220	-
Financial liabilities to Lottomatica Digital Solution for cash pooling	73	-
Financial liabilities to Big Easy for cash pooling	-	1,248
Financial liabilities to Agesoft for cash pooling	-	956
Total	654,873	522,721

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

<i>(In thousands of Euro)</i>	As of 31 December 2024	Of which current	As of 31 December 2023	Of which current
Notes	1,934,091	-	-	-
Accrued interest- Notes	8,714	8,714	-	-
Interest Rate Swap liabilities	13,147	1,740	-	-
Financial liabilities to Group companies	654,873	654,873	522,721	522,721
Total	2,610,825	665,327	522,721	522,721



The table below shows the changes in liabilities resulting from financing activities as required by IAS7:

<i>(In thousands of Euro)</i>	As of 31 December 2023	Merger contribution	Cash flow from financing activities	Non-cash changes	As of 31 December 2024
Notes	-	1,917,021	(10,857)	27,927	1,934,091
Accrued interest on Notes	-	22,741	(129,370)	115,343	8,714
Interest Rate Swap liabilities	-	8,937	(22,357)	26,567	13,147
Other financial payables	-	13,713	(13,713)	-	-
Financial liabilities to Group companies	522,721	-	132,152	-	654,873
Total	522,721	1,962,412	(44,145)	169,837	2,610,825

<i>(In thousands of Euro)</i>	As of 31 December 2022	Cash flow from financing activities	Non-cash changes	As of 31 December 2023
Gamma Bondco Loan	250,000	(250,000)	-	-
Accrued interest on Gamma Bondco Loan	23,375	(30,322)	6,947	-
Financial liabilities to Group companies	-	522,152	569	522,721
Total	273,375	241,830	7,516	522,721

7.9.1 May 2024 Notes

On 29 May 2024, Lottomatica S.p.A. (merged into the Company during 2024) issued senior secured notes for a total principal of Euro 900 million (the “**May 2024 Notes**”), of which (i) Euro 500 million bearing interest at a fixed annual rate of 5.375%, to be paid semiannually, commencing on 1 December 2024 maturing on 2030, and (ii) Euro 400 million bearing interest equal to the sum of three-month EURIBOR (with a 0% floor) plus 3.250% per annum to be paid quarterly, commencing on 1 September 2024 and maturing on 2031. The May 2024 Notes were admitted to listing on the Euro MTF market organized and managed by the Luxembourg Stock Exchange and the Euronext Access Milan segment (previously known as ExtraMOT) of Borsa Italiana.

Collateral posted as security in relation to the May 2024 Notes included liens on the following: (i) material bank accounts of the Company, (ii) receivables in respect of certain material intercompany loans owed to the Company (iii) all of the issued share capital of GGM S.p.A. held by the Company, and (iv) all of the issued share capital of GBO S.p.A. held by the Company. Ratings as of the issue date were as follows: BB-(S&P) and Ba3 (Moody’s).

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



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

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

7.9.2 June 2023 Notes

On 1 June 2023, Lottomatica S.p.A. (merged into the Company during 2024) issued senior secured notes for a total principal of Euro 1,115 million of which (i) Euro 565 million bearing interest at a fixed annual rate of 7.125%, to be paid semiannually, commencing on 1 December 2023 (the “**June 2023 Notes**”), and (ii) Euro 550 million issued below par (at 99%), bearing interest equal to the sum of three-month EURIBOR (with a 0% floor) plus 4.125% per annum to be paid quarterly, commencing on 1 September 2023. The notes were admitted to listing on the Euro MTF market organized and managed by the Luxembourg Stock Exchange and the ExtraMOT Pro segment of Borsa Italiana and mature in 2028. As previously reported, the floating portion of this notes, for Euro 550 million, was repaid during 2024.

Collateral posted as security in relation to the June 2023 Notes included liens on the following: (i) receivables in respect of certain material intercompany loans owed to Lottomatica Group (if any), (ii) material bank accounts of the Company, (iii) the entire share capital of GGM S.p.A. held by the Company (iv) all of the issued share capital of GBO S.p.A. held by the Company, and (iv) all of the issued share capital of GBO S.p.A. held by the Company. Ratings as of the issue date were as follows: BB-(S&P) and Ba3 (Moody’s).

Proceeds from the notes issue were used to finance (i) the early repayment of the senior secured notes issued on 1 April 2021 and 23 July 2020 for a total principal amount of Euro 1,115 in addition to accrued and unpaid interest; and (ii) the make-whole payment due to early repayment.

The June 2023 Notes (or a portion thereof) can be reimbursed in advance, under the following conditions: i) until 1 June 2025, the issuer is required to repay a total of 100% of the principal amount reimbursed plus the Fixed Rate Applicable Premium, plus unpaid interest due; ii) if reimbursed between 1 June 2025 and 31 May 2026, the issuer is required to repay a total of 103.5625% of the principal amount reimbursed plus the Additional Amounts, plus unpaid interest due; iii) if reimbursed between 1 June 2026 and 31 May 2027, the issuer is required to repay a total of 101.7813% of

the principal amount reimbursed plus the Additional Amount, plus unpaid interest due; and iv) if reimbursed in advance but from 1 June 2027 onwards, the issuer is required to repay the principal amount reimbursed plus the Additional Amount and unpaid interest due.

7.9.3 December 2023 Notes

In order to finance the acquisition of SKS365 Malta Holding Limited, on 14 December 2023 Lottomatica S.p.A. (merged into the Company during 2024) issued senior secured notes (the “**December 2023 Notes**”) for a principal amount of Euro 500 million, issued below par (at 99.5%) bearing interest equal to the sum of the three-month EURIBOR (with a floor of 0%) plus 4.000% per annum to be paid quarterly from 1 March 2024. The December 2023 Notes were admitted to listing on the Euro MTF market organized and managed by the Luxembourg Stock Exchange and the Euronext Access Milan segment (formerly ExtraMOT) of Borsa Italiana and mature in 2030.

Collateral posted as security in relation to the December 2023 Notes included liens on the following: (i) receivables in respect of certain material intercompany loans owed to Lottomatica Group (if any), (ii) material bank accounts of the Company, (iii) the issued share capital of GGM S.p.A. and GBO S.p.A. held by the Company, and (iv) all of the issued share capital of GBO Italy S.p.A. held by the GBO S.p.A. Ratings as of the issue date were as follows: BB-(S&P) and Ba3 (Moody’s).

The issuer may repay in advance, in whole or in part, the December 2023 Notes at any time from 15 December 2024, paying an amount equal to 100% of the notional amount to be reimbursed in addition to the Additional Amount and the accrued interest not yet paid.

7.9.4 Revolving credit facility

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

The Revolving Credit Facility matures on the earliest of the date falling six months prior to maturity of the notes issued or 3 May 2028, if earlier. Interest on the loan is set at Euribor plus a spread. The agreement provides that the spread may be reduced over time in line with variations in the ratio between senior secured indebtedness net of cash and cash equivalents and EBITDA (i.e., the Consolidated Senior Secured Debt Ratio defined in the Revolving Credit Facility agreement) on a consolidated basis, as shown in the following table:

Consolidated Senior Secured Debt Ratio*	Annual spread
> 2.3:1	3.5
≤ 2.3:1 e > 1.8:1	3.25
≤ 1.8:1 e > 1.3:1	3.0
≤ 1.3:1 e > 0.8:1	2.75
≤ 0.8:1	2.5

* As defined contractually.



The agreement provides that the Consolidated Senior Secured Debt Ratio should be calculated for the first time three calendar quarters after the closing date of 3 May 2023 and subsequently each quarter with regard to the preceding twelve months. The Consolidated Senior Secured Debt Ratio must not exceed 5.22:1 and is not valid if the utilizations do not exceed 40% of the revolving credit facility (the “Test Condition”, as defined contractually). The spread to be applied to amounts drawn down under the Revolving Credit Facility is adjusted based on the aforementioned ratio. The spread applicable at the current date in the event of utilizing the Revolving Credit Facility is 3.50%. As of 31 December 2024, the Test Condition is not met as the revolving credit facility was not utilized.

Collateral for the Revolving Credit Facility included securities on the following: (i) receivables in respect of certain material intercompany loans in respect of which Lottomatica Group is a creditor (if any); (ii) material bank accounts of the Company; (iii) the shares in GGM S.p.A. held by the Company; (iv) the shares in GBO S.p.A. held by the Company; (v) the shares in Gamenet S.p.A. held by its shareholder GGM S.p.A.; (vi) the shares in GBO Italy S.p.A. held by its shareholder GBO S.p.A. and (vii) the shares in Lottomatica Videolot Rete S.p.A. held by its shareholder GGM S.p.A.

In line with normal market practice in such cases, the terms and conditions of the Revolving Credit Facility also require that the Group comply with a series of restrictions regarding its right to undertake certain operations, unless specific restrictive covenants or specific exceptions provided for contractually are complied with.

Right to take on or guarantee further borrowing

Other than in certain exceptional cases, the Group may only take on or guarantee further borrowing if it complies with certain requirements in terms of: a) the Fixed Charge Coverage Ratio or Consolidated Total Debt Ratio (in the case of non-secured debt); b) the Consolidated Senior Secured Debt Ratio in the case of secured debt, as shown below:

a) non-secured debt:

Covenants	Description*	Contractual value
Fixed Charge Coverage Ratio	EBITDA** / Fixed Charge**	>= to 2.0
Or		
Consolidated Total Debt Ratio	Total Indebtedness net of Cash and Cash Equivalents** / EBITDA**	<= to 3.15

* On a consolidated basis.
** As defined contractually.

b) secured debt:

Covenants	Description*	Contractual value
Consolidated Senior Secured Debt Ratio	Senior Secured Total Indebtedness net of Cash and Cash Equivalents** / EBITDA**	<= to 2.90

* On a consolidated basis.
** As defined contractually.

The above ratios must be calculated at the time the Group intends to take on or guarantee further borrowing. The above conditions, however, do not prohibit the Group from taking on certain other specific borrowing set out in the contractual conditions of the Revolving Credit Facility and the notes issued.

Right to distribute dividends

The terms and conditions of the Revolving Credit Facility and the notes issued provide that the Group may make certain types of payment, including the distribution of dividends and distribution of reserves to shareholders, solely within certain limits and under certain specific conditions that are defined both for “Restricted Payments” and for “Permitted Payments”.

Ratings

As of the reporting date, Standard & Poor’s had assigned Lottomatica Group S.p.A. a BB-rating and Moody’s a Ba3 rating.

The contracts relating to the notes outstanding as of 31 December 2024 provided that certain of the aforementioned restrictions and covenants no longer apply if the notes achieve investment grade status, defined as a credit rating of BBB-or higher (S&P) and Baa3 or higher (Moody’s).



7.9.5 Net financial indebtedness

The following is a breakdown of the Company’s Net Financial Indebtedness-ESMA as of 31 December 2024 compared with the situation as of 31 December 2023, determined in accordance with Consob Communication DEM/6064293 of 28 July 2006, as amended by Consob Communication No. 5/21 of 29 April 2021 and in accordance with ESMA Recommendations contained in “Guidelines 32-382-1138 of 4 March 2021 on disclosure requirements under the prospectus regulation”.

(In thousands of Euro)	As of 31 December	
	2024	2023
A. Cash	77,518	106,326
B. Cash equivalent	-	-
C. Other current financial assets	298,585	411,542
D. Liquidity (A+B+C)	376,103	517,868
E. Current financial debt	656,613	522,721
F. Current portion of non-current financial debt	8,714	-
G. Current Financial Indebtedness (E+F)	665,327	522,721
H. Net Current Financial Indebtedness (G-D)	289,224	4,853
I. Non-current financial debt	11,407	-
J. Debt instruments	1,934,091	-
K. Non-current trade and other payables	-	-
L. Non-Current Financial Indebtedness (I+J+K)	1,945,498	-
M. Net Financial Indebtedness - ESMA (H+L)	2,234,722	4,853

Derivative financial instrument and hedge accounting

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

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

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

7.10 Tax receivables and payables

“Tax payables” amounted to Euro 12,955 thousand as of 31 December 2024 (Euro 8,488 thousand as of 31 December 2023) and related to the payables due to Italian Tax Authority for IRES as a result of the application of the tax consolidation.

7.11 Trade payables

The following table provides a breakdown of “Trade payables”:

(In thousands of Euro)	As of 31 December	
	2024	2023
Invoices to be received	4,630	743
Trade payables	3,487	120
Total	8,117	863

The table below shows the detail of trade payables to Group companies:

(In thousands of Euro)	As of 31 December	
	2024	2023
Payables due to Gamenet	23	-
Payables due to PWO Limited (formerly SKS365 Malta Limited)	8	-
Payables due to Agesoft	4	-
Total	35	-

7.12 Other current and non-current liabilities

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

(In thousands of Euro)	As of 31 December	
	2024	2023
Payables to group companies for tax consolidation	6,197	25,226
Payables to employees	3,942	648
Other payables to tax authorities	1,789	86
Payables to INPS	1,521	129
Accrued expenses and prepayments	1,520	-
Payables to group companies for service recharge	775	1,703
Total	15,744	27,792



The following table provides a summary of key information relating to “Other current and non-current liabilities”:

<i>(In thousands of Euro)</i>	As of 31 December 2024	Of which current	As of 31 December 2023	Of which current
Payables to Group companies for tax consoli- dation	6,197	6,197	25,226	25,226
Payables to employees	3,942	3,942	648	648
Other payables to tax authorities	1,789	1,789	86	86
Payables to INPS	1,521	1,521	129	129
Accrued expenses and prepayments	1,520	1,097	-	-
Payables to Group companies for service recharge	775	775	1,703	1,703
Total	15,744	15,321	27,792	27,792

The table below shows the detail of other liabilities to Group companies:

<i>(In thousands of Euro)</i>	As of 31 December	
	2024	2023
Payables due to Gamenet	2,828	31
Payables due to GBO	2,664	-
Payables due to Lottomatica Videolot Rete	1,260	-
Payables due to Gnet	365	-
Payables due to GBO Italy	329	4,582
Payables due to Ares	197	178
Payables due to Big Easy Bingo (formerly Battistini Andrea)	51	-
Payables due to Lottomatica Digital Solutions	19	-
Payables due to Gnetwork	13	69
Payables due to Marim	10	267
Payables due to Giocaonline	9	-
Payables due to Agesoft	4	-
Payables due to Gamenet PRO	4	1
Payables due to Lottomatica*	-	21,799
Payables due to The Box**	-	2
Total	7,753	26,929

*Merged into Lottomatica Group S.p.A. in 2024.
**Merged into Big Easy in 2024.

8. Transactions with related parties

Lottomatica Group S.p.A. is not subject to management and coordination by companies or entities and defines its general and operational strategic guidelines in full autonomy. Pursuant to art. 2497 bis of the Civil Code, the Italian subsidiaries have identified Lottomatica Group S.p.A. as the entity that exercises management and coordination activity.

Related party transactions are mainly attributable to commercial, administrative and financial relationships. These operations are part of normal business management, within the typical activity of each interested party, and are generally regulated at market conditions.

Transactions between Lottomatica Group and the “Subsidiaries” mainly concern loans granted to Group companies, payables and receivables related to the Group’s tax consolidation, of which the Company is the consolidating entity, the receivables and payables for corporate services and centralized cash pooling, of which the Company is the pooler.

Transactions with “Subsidiaries of shareholders” refer to the loan granted by Gamma Bondco S.à.r.l., a wholly owned subsidiary of Gamma Topco S.à.r.l., to the Company on 10 November 2021 and the interest on this loan, which were repaid on 3 May 2023.

The table below provides a breakdown of the statement of financial position balances of the Company with related parties as of 31 December 2024 and 2023:

<i>(In thousands of Euro)</i>	As of 31 December 2024				
	Subsidiaries	Key management personnel	Total related parties	Total reported amount	Related party % of total
Non-current financial assets	915,832	-	915,832	2,965,691	30.9%
Current financial assets	298,585	-	298,585	298,585	100.0%
Other current assets	51,395	-	51,395	56,645	90.7%
Current financial liabilities	654,873	-	654,873	665,327	98.4%
Current trade payables	35	-	35	8,117	0.4%
Other non-current liabilities	423	-	423	423	100.0%
Other current liabilities	7,330	2,147	9,477	15,321	61.9%

<i>(In thousands of Euro)</i>	As of 31 December 2023					
	Subsidiaries of shareholders	Subsidiaries	Key management personnel	Total related parties	Total reported amount	Related party % of total
Non-current financial assets	-	60,881	-	60,881	527,188	11.5%
Current financial assets	-	411,542	-	411,542	411,542	100.0%
Other current assets	-	45,492	-	45,492	46,961	96.9%
Current financial liabilities	-	522,721	-	522,721	522,721	100.0%
Other current liabilities	-	26,928	338	27,266	27,792	98.1%

The table below provides a breakdown of the income statement balances of the Company with related parties for the years ended 31 December 2024 and 2023:

For the year ended 31 December 2024					
(In thousands of Euro)	Subsidiaries	Key management personnel	Total related parties	Total reported amount	% of total
Dividends from subsidiaries	448,249	-	448,249	448,249	100.0%
Financial income	56,631	-	56,631	65,468	86.5%
Finance expenses	(3,263)	-	(3,263)	(201,476)	1.6%
Other income	27,674	-	27,674	27,700	99.9%
Cost of services	(2,453)	-	(2,453)	(20,409)	12.0%
Personnel expenses	-	(5,544)	(5,544)	(23,808)	23.3%

For the year ended 31 December 2023						
(In thousands of Euro)	Subsidiaries of shareholders	Subsidiaries	Key management personnel	Total related parties	Total reported amount	% of total
Dividends from subsidiaries	-	16,500	-	16,500	16,500	100.0%
Financial income	-	5,445	-	5,445	7,594	71.7%
Finance expenses	(23,419)	(2,035)	-	(25,454)	(25,550)	99.6%
Cost of services	-	(3)	-	(3)	(3,193)	0.1%
Personnel expenses	-	-	(872)	(872)	(2,630)	33.2%
Other income	-	1,253	-	1,253	1,253	100.0%

In relation to the transactions with Apollo Capital Solutions Europe B.V., a subsidiary of the Company’s ultimate controlling entity, Apollo Capital Management L.P., it should also be noted that underwriting fees of Euro 675 thousand were included in the ancillary costs for the issuance of the May 2024 Notes.

Key management personnel

The following table provides a breakdown of the remuneration attributable to Company’s key management personnel for the years ended 31 December 2024 and 2023.

For the year ended 31 December		
(In thousands of Euro)	2024	2023
Remuneration	3,555	806
Bonus una tantum	1,362	1
Social security contributions	380	15
Severance indemnity	247	50
Total	5,544	872



9. Other information

9.1 Commitments and guarantees and contingent liabilities

9.1.1 Guarantees granted in favor of third parties

For details regarding guarantees relating to the Notes, see Note 7.9 above.

9.1.2 Commitments and contingent liabilities

With regard to commitments and contingent liabilities, we are not aware of the existence of further disputes or proceedings that could have a material effect on the Company’s economic and financial position.

9.2 Compensation to directors and statutory auditors

The remuneration due to Directors amounted to Euro 1,008 thousand for the year ended 31 December 2024 and Euro 669 thousand for the year ended 31 December 2023. The remuneration due to Statutory Auditors, for the function performed in the Company, amounted to Euro 355 thousand for the year ended 31 December 2024 (Euro 167 thousand for the year ended 31 December 2023). The remuneration includes emoluments and any other sum having a remunerative, social security and welfare nature due for the performance of the function of director or statutory auditor in the Company.

9.3 Compensation to the independent auditor

The following table, drawn up pursuant to art. 149-duodecies of the Issuers Regulation, shows the breakdown of the services provided by the audit firm for the year ended 31 December 2024:

(In thousands of Euro)		
Service	Subject who provided the service	2024 Fees
Audit of financial statement	PwC S.p.A.	725
Other services*	PwC S.p.A.	625
Other services	PwC Network	341
Total		1,691

* The item also includes costs related to the refinancing of the notes.



9.4 Significant non-recurring events and transactions

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

<i>(In millions of Euro)</i>	For the year ended 31 December 2024	Result before tax	Financial Position
Acquisition of SKS365 Malta Holding Limited			
Negative carry (including net income from IRS)	(4.2)	✓	
Total	(4.2)	(4.2)	-
Refinancing 2024			
Underwriting fees and advisors	(10.9)		✓
Make-whole on 2024 Notes Repaid	(26.4)	✓	
Effect of acceleration of the unamortized costs and net charge IRS on 2024 Notes Repaid	(21.7)	✓	
Total	(59.0)	(26.4)	(10.9)
Costs not included in Adjusted EBITDA			
Cost related to M&A and international activities	(3.6)	✓	
Integration costs	(0.6)	✓	
Other non-recurring expense	(3.2)	✓	
Total	(7.4)	(7.4)	-
Total	(66.4)	(33.8)	(10.9)

<i>(In millions of Euro)</i>	For the year ended 31 December 2023	Result before tax	Financial Position
IPO costs			
Underwriting fees and advisors	(27.5)		✓
Prepayment penalty on Gamma Bondco Loan	(16.5)	✓	
Total	(44.0)	(16.5)	(27.5)
Costs not included in Adjusted EBITDA			
Cost related to M&A, international activities and IPO	(1.7)	✓	
Other non-recurring expense	(0.4)	✓	
Total	(2.1)	(2.1)	-
Total	(46.1)	(18.6)	(27.5)

9.5 Atypical/unusual transactions

In accordance with Consob Communication DEM/6064293 of 28 July 2006, the Company did not carry out any atypical and/or unusual transactions during the year.

9.6 Public contributions

With regard to the provisions of art. 1, paragraph 125, of Law 124/2017, regarding the obligation to highlight in the notes to the financial statements the amounts received during the year as public contributions, paid assignments and economic benefits of any kind from public administrations and the entities referred to in paragraph 125 of the same article, it is noted that the Company did not receive any public contributions in 2024.

10. Significant events

10.1 Refinancing of senior secured notes

As described in Note 7.9.1, on 29 May 2024, Lottomatica S.p.A. (merged into Lottomatica Group S.p.A. during 2024) issued the May 2024 Notes for a total principal amount of Euro 900 million.

The net proceeds, together with available cash, were used to (i) fund the early redemption of the 2022 Notes and the 2023 June Floating Rate Notes, in addition to accrued and unpaid interest; and (ii) pay the make-whole in connection with their early redemption of Euro 26.4 million.

With respect to the May 2024 Notes, the issuance costs amounted to Euro 10.9 million and were mainly related to professional fees.

The refinancing also included the amortized cost on ancillary costs relating to the 2024 Notes Repaid of Euro 21.3 million, which were fully recognized following the early repayment.

10.2 Merger of Lottomatica S.p.A. into Lottomatica Group S.p.A.

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

On 24 October 2024, the deed of merger of Lottomatica S.p.A. into Lottomatica Group S.p.A. was signed. The merger had legal effects from 1 November 2024, with accounting and tax effects back-dated to 1 January 2024.

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

11. Significant events occurred after 31 December 2024

No significant events have occurred after 31 December 2024.

12. Proposal in relation to the allocation of the net result for the year

It is proposed to the Shareholders' meeting the payment of a dividend of Euro 0.30 per ordinary share for FY 2024, using the net profit of the year. Considering the shares outstanding as of today, this amounts to a total dividend distribution of Euro 75,489,124, representing a 30% of pay-out ratio applied to consolidated Adjusted Net Profit, in accordance with the Group's dividend policy. Furthermore, the Board of Directors resolved to propose to the Shareholders' Meeting to allocate Euro 1,990,000 to the legal reserve and to allocate the remaining net profit of the year to retained earnings, amounting to Euro 234,203,834.

Rome, 3 March 2025

Chief Executive Officer
Guglielmo Angelozzi



Certification of the separate financial statements pursuant to art. 81-ter of Consob Regulation No. 11971 of 14 May 1999 and subsequent amendments and additions

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

- their adequacy with respect to the company, and
- the effective application of the administrative and accounting procedures for the preparation of the separate financial statements as of and for the year ended 31 December 2024.

2. No significant aspects arose from applying the administrative and accounting procedures for the preparation of the separate financial statements as of and for the year ending 31 December 2024.

3. We also certified that:

- the separate financial statements as of and for the year ended 31 December 2024:
 - have been prepared in accordance with the international accounting standards as endorsed by the European Community pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002;
 - are consistent with the information contained in the accounting ledgers and records;
 - are suitable for providing a true and fair representation of the equity, financial and economic position of the issuer.

Rome, 3 March 2025

Chief Executive Officer
Guglielmo Angelozzi



Executive Officer responsible for the preparation of corporate accounting information
Laurence Van Lancker



Lottomatica



Report of the Board
of Statutory Auditors



Report of the Board of Statutory Auditors to the Shareholders' Meeting of Lottomatica Group S.p.A. pursuant to Article 153 of Legislative Decree No. 58/1998 and Article 2429, paragraph 2, of the Civil Code

Dear Shareholders,

During the year ended December 31, 2024, the Board of Statutory Auditors performed the supervisory activities required by law, by the bylaws, by Consob provisions on corporate controls, by regulations issued by supervisory and control authorities, in compliance with the principles of the Board of Statutory Auditors of listed companies, recommended by the National Council of Chartered Accountants and Accounting Experts (*Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili*), (the "Rules of Conduct", updated most recently in December 2024), and the guidelines contained in the Corporate Governance Code, recommended by Borsa Italiana S.p.A., to which the Company has declared adherence.

Furthermore, as Lottomatica Group S.p.A. ("Lottomatica Group" or the "Company") has adopted the traditional governance model, the Board of Statutory Auditors is also identified as the Internal Control and Audit Committee, which is responsible for further specific control and monitoring functions on financial and sustainability reporting, as provided for by Article 19 of Legislative Decree No. 39/2010, as amended by Legislative Decree No. 135/2016 ("Decree") and Legislative Decree No. 125/2024, which transposed Directive 2022/2464/EU ("CSRD") into law.

The current Board of Statutory Auditors was appointed by the Shareholders' Meeting on March 15, 2023, in accordance with the current legal, regulatory, and statutory provisions, and will end its mandate with the approval of the financial statements as of December 31, 2025.

The members of the Board of Statutory Auditors have complied with the limit on the number of positions provided for by Article 111-terdecies of the Issuers' Regulation.

It is noted that the composition of the current Board of Statutory Auditors complies with the provisions on diversity, including gender diversity, as per Article 148, paragraph 1-bis, of Legislative Decree No. 58/1998, as amended by Article 1, paragraph 202, Law No. 160 of December 27, 2019, and applied pursuant to Article 1, paragraph 304, of the same Law, as well as according to the provisions of Consob Communication No. 1/20 of January 30, 2020.

The statutory audit of the Company's financial statements is performed by the audit firm PricewaterhouseCoopers SpA (hereinafter: the audit firm), for a duration of 9 years, as approved by the Shareholders' Meeting on February 27, 2023.

Given the above, the Board of Statutory Auditors issues the following report ("Report").

Supervisory activities on compliance with legal, regulatory, and statutory provisions and on the adequacy of the organizational structure

During 2024:

- we monitored compliance with the law and the Articles of Association, including the regulations set out in Legislative Decree No. 24/2023 on whistleblowing;
- we monitored compliance with the principles of proper administration and the conformity of management decisions with the criteria of economic rationality;

- we participated in the Board of Directors and the internal committees, whose meetings were held in compliance with the statutory and legislative rules governing their functioning, so we can reasonably assure that the actions taken are in accordance with the law and the Articles of Association and are not manifestly imprudent, reckless, in potential conflict of interest, or such as to compromise the integrity of the Company's assets;
- we obtained, during the various Board of Directors meetings, information on the general performance of the business and the foreseeable evolution as well as on the most significant transactions carried out by the Company. This information is represented in the Directors' Report, to which reference is made;
- we verified that the Directors' Report for the year 2024 was in compliance with current regulations, as well as consistent with the resolutions adopted by the Board of Directors and the facts represented in the separate and consolidated financial statements;
- we verified the inclusion in the Directors' Report of the Consolidated Sustainability Statement, in application of Legislative Decree No. 125/2024;
- we exchanged information with the Supervisory Body (also through the analysis of periodic reports) regarding the regulations under Legislative Decree No. 231/01;
- we took note of the content of the Consolidated Half-Year Financial Report, without the need to express observations, verifying its publication according to the procedures provided by the regulations;
- we monitored compliance with the information obligations regarding regulated, privileged, or requested information by supervisory authorities, verifying that each body and function of the Company has fulfilled the information obligations provided by the applicable regulations;
- we monitored, obtaining information from the relevant functions, the civil, administrative, and criminal disputes involving the Company;
- we monitored the organizational structure of the Company and its adequacy to the size, complexity, and characteristics of Lottomatica Group, as well as the nature and pursuit of the Company's corporate purpose.

During the supervisory activities as described above, no omissions, censurable facts, or irregularities emerged that need to be mentioned in this Report.

Supervisory activities on the adequacy of the internal control and risk management system

The Board of Statutory Auditors monitored the adequacy and functioning of the internal control and risk management system, as integrated with the management of ESG, tax, and cybersecurity risks, through:

- assessment expressed by the Board of Directors on the adequacy of the Company's organizational, administrative, and accounting structure, with particular reference to the internal control and risk management system, within the framework, among other things, of the exchange of information pursuant to Article 2381, paragraph 3, of the Civil Code;
- examination of the reports of the Executive Officer responsible for the preparation of corporate accounting information pursuant to Article 154-bis of the TUF;
- periodic meetings and examination of the annual report of the head of the Internal Audit function, highlighting the adequacy of the internal control system concerning current regulations and the recommendations contained in the Corporate Governance Code;
- participation in the meetings of (and exchange of information with) the Control and Risk Committee;

- periodic meetings and examination of the report of the Supervisory Body pursuant to Legislative Decree No. 231/2001;
- examination of the additional report of the audit firm, issued pursuant to Article 11 of European Regulation No. 537 of April 16, 2014 ("**Regulation**");
- obtaining information from the heads of the respective corporate functions.

The Company is equipped with the Organizational Model provided for by Legislative Decree No. 231/01, of which the Code of Ethics is an integral part, aimed at preventing the execution of offenses pursuant to the Decree and, consequently, the extension of administrative liability to the Company. The Supervisory Body pursuant to Legislative Decree No. 231/01 in office was appointed by resolution of the Board of Directors on February 27, 2023. The Supervisory Body is composed of two external professionals and one internal member. It is noted that the Company is equipped with a procedure for "Management of whistleblowing" updated with the provisions of the whistleblowing regulations and a Group Anti-bribery & Corruption Policy and Guidelines. During 2024, training activities continued on Model 231, the Group Code of Ethics, reporting processes, and the Anti-bribery & Corruption policy.

The Board of Statutory Auditors, concerning the group which is controlled by the Company, has identified the presence of tools to safeguard strategic, operational, compliance, and risk control objectives, including a structured and periodic planning, management control, and reporting system, a financial risk governance structure, a corporate risk management system (including ESG, tax, and cybersecurity risks) according to the principles of enterprise risk management (ERM), as well as the accounting control model according to Law No. 262/2005 on financial information. The structural and operational characteristics of these systems and models are described in the Report on Corporate Governance and Ownership Structure.

It is also noted that the Company is equipped with a Personal Data Protection Management Model, in compliance with legislative requirements.

The Company uses a procedure for managing corporate information, called "*Policy for managing dialogue with shareholders and the financial community*."

During 2024, the Company implemented the "*Tax risk detection, measurement, management, and control system*," as approved by the Board of Directors on December 5, 2023, also proceeding with the appointment of the Tax Risk Management, the body composed of internal and external experts established to verify the correct and effective application of the Tax Control Framework.

As a result of the activities carried out, no situations or critical issues emerged that would lead to the conclusion that the Company's internal control and risk management system is inadequate overall.

Supervisory activities on the adequacy of the administrative-accounting system

Notwithstanding the responsibility of the Board of Directors concerning the financial reporting process, the Board of Statutory Auditors – also in its capacity as the Internal Control and Audit Committee – monitored the adequacy of the administrative-accounting system, as well as the reliability of the system to correctly represent factual information. To carry out this activity, the Board regularly exchanged information with the audit firm and the company's relevant bodies, established information flows with the control bodies of the subsidiaries, pursuant to Article

151, paragraph 2, of the TUF, also obtaining their respective annual reports and the reports of their respective auditors for the relevant companies of the Group.

The Board also obtained the additional report pursuant to Article 11 of EU Regulation 537/2014, from the examination of which no matters emerged that need to be highlighted in this Report.

The functions established by law have been assigned to the Executive Officer responsible for the preparation of corporate accounting information, and adequate powers and means have been provided for the performance of the related tasks.

The content the financial statements, statutory and consolidated, is governed by the group's accounting principles manual and other administrative-accounting procedures that are part of the Model pursuant to Law No. 262/2005.

The Board of Statutory Auditors also had evidence of the process that allows the Executive Officer in charge and the Chief Executive Officer to issue the certifications required by Article 154-bis of the TUF, to control the financial reporting process, as well as the effectiveness of the internal control and risk management systems, with regards to financial reporting, without violating their independence (pursuant to Article 19 of the Decree).

Regarding the 2024 financial statements, the Board of Statutory Auditors verified (i) the correctness of the process by which the separate and consolidated financial statements as of December 31, 2024, were prepared and (ii) the compliance by the Directors with the procedural rules concerning the content, filing, and publication, without noting any findings.

It is also highlighted that, within the framework of the exchange of information with the Audit and Risk Committee concerning the evaluation of the correct use of accounting principles (and at the group level, the evaluation of their homogeneity for the preparation of the consolidated financial statements), no significant elements emerged.

Regarding the impairment test, the Board of Statutory Auditors also noted the approval by the Board of Directors of the so-called impairment test procedure aimed at regulating the methods of verifying the recoverability of the assets recorded in the financial statements. On this point, the Board of Statutory Auditors monitored the adoption by the Board of Directors of this procedure as well as the results of the checks carried out by management, which confirmed the recoverability of the assets subject to the impairment test. Regarding the impairment test, as well as the activities related to the purchase price allocation, the main one being the acquisition of SKS365 (later renamed PWO), the Board also discussed with the audit firm and participated in the meetings of the Audit and Risk Committee.

It is noted that, as mentioned above, during 2024, the Lottomatica Group implemented the Tax Control Framework tool, adopted at the end of 2023, with the aim, among other things, of improving the efficiency of tax risk detection, measurement, and management, further implementing the related safeguards.

As a result of the activities performed, it emerged that overall the Company's administrative-accounting system is adequate concerning the reliability of financial reporting, the effectiveness and efficiency of its operational activities, and compliance with laws and regulations. No particular matters or critical issues emerged to report.

Relations with the Audit Firm

In accordance with the provisions of Article 19 of Legislative Decree No. 39/2010, the Board of Statutory Auditors, in its capacity as the Internal Control and Audit Committee, carried out its supervisory activities on the audit firm within the limits provided by applicable regulations.

To this extent, we held periodic meetings with representatives of the audit firm, pursuant to Article 150, paragraph 3, of the TUF, during which no significant results emerged that need to be reported in this report.

We monitored the independence of the audit firm, having, among other things, received on March 27, 2025, from PWC specific written confirmation regarding compliance with this requirement (in accordance with Article 6, paragraph 2, letter a) of the Regulation. In this regard, we also monitored the nature and extent of services other than the main audit assignment provided to the Company and other group companies by PWC and entities belonging to its network, whose fees are indicated in the notes to the Company's financial statements (for a total amount, at the Group level, including activities related to due diligence and refinancing operations, totaling Euro 3.7 million, including fees related to the audit).

Regarding the provisions of Article 11 of the Regulation, the audit firm presented on March 27, 2025, to the Board of Statutory Auditors, with reference to the financial year 2024, the "additional report" on the results of the statutory audit performed, from which no significant difficulties during the audit emerged, nor significant deficiencies in the internal control system concerning the financial reporting process. The Board of Statutory Auditors will, as required by law, send this report to the Board of Directors.

The audit firm issued on March 27, 2025, the reports pursuant to Articles 14 and 16 of Legislative Decree No. 39/2010, respectively for the separate financial statements and the consolidated financial statements as of December 31, 2024. In its reports, the audit firm:

- issued an opinion stating that the separate and consolidated financial statements of the Company provide a true and fair view of the Company's and Group's financial position as of December 31, 2024, the results of operations, and cash flows for the financial year ended on that date in accordance with IFRS adopted by the European Union, as well as measures issued in implementation of Article 9 of Legislative Decree No. 38/05;
- issued an opinion on the compliance of the separate and consolidated financial statements with the provisions of Regulation (EU) 2019/815 ("ESEF Regulation");
- issued an opinion on the consistency of the Directors' Report and certain specific information contained in the Report on Corporate Governance and Ownership Structure indicated in Article 123-bis, paragraph 4, of the TUF, with the separate and consolidated financial statements of the Company;
- issued an opinion on the consistency of the Directors' Report and certain specific information contained in the Report on Corporate Governance and Ownership Structure indicated in Article 123-bis, paragraph 4, of the TUF with legal provisions.

Supervision of the implementation of corporate governance rules

The Board of Statutory Auditors operates within an integrated governance framework and intra-company information flows. In this context, we acknowledged the information provided in the Report On Corporate Governance and Ownership Structure, approved by the Board of Directors at the meeting on March 3, 2025, which is prepared in accordance with the law and for which the related information obligations have been fulfilled.

We also monitored the implementation of the Corporate Governance Code ("Code") to which the Company adheres, verifying the overall compliance and effective implementation of the corporate governance system of the Lottomatica Group with the recommendations expressed by the Code.

Regarding the procedure followed by the Board of Directors for verifying the independence of its directors, the Board of Statutory Auditors performed its evaluations, noting the correct application of the criteria of the procedures for verifying the independence requirements provided by law and the Corporate Governance Code and compliance with the composition requirements of the administrative body as a whole. It is noted that the composition of the Board of Directors complies with the rules on gender balance, in accordance with the provisions on diversity.

The Board of Statutory Auditors also verified the reasons why the Lead Independent Director was not appointed, noting that the Company does not fall into any of the circumstances mentioned in Article 13 of the Code, namely (i) the Chairman of the Board of Directors does not hold managerial positions and does not exercise any form of control over Lottomatica Group and (ii) so far none of the independent directors has requested the appointment of a Lead Independent Director, and (iii) the independent directors have deemed that the current organizational structure of the Board of Directors and the management of the body's work are adequate to allow them to fully exercise the functions for which they are responsible.

The Board of Directors examined the letter of December 17, 2024, from the Chairman of the Corporate Governance Committee and the assessments made regarding the recommendations contained therein, already adopted by the Company, without having any particular observations in this regard.

During the supervisory activities as described above, no findings or irregularities emerged that need to be mentioned in this Report.

The Board of Statutory Auditors also carried out the so-called self-assessment process regarding the professionalism, competence, integrity, and independence requirements of its members required by the applicable regulations. From the aforementioned self-assessment process, no situations or facts emerged after the appointment that could be impediments to the correct execution of the assignment, considering the estimated time for its effective performance.

Other controls

The Board of Statutory Auditors also monitored the fulfillment of obligations related to regulations on the prevention and repression of market abuse and public communications, with particular reference to the treatment of privileged information and the procedure for communicating such information outside the Company. In this context, the Board of Statutory Auditors specifically monitored compliance with the provisions contained in Article 115-bis of the TUF and the implementing regulations, regarding the updating of the Register of persons who have access to privileged information.

We also monitored the adequacy and implementation of the provisions issued by Lottomatica Group to the subsidiaries pursuant to Article 114, paragraph 2, of the TUF, to ensure that they guarantee the timely fulfillment of the communication obligations provided by law.

During these supervisory activities, no findings emerged that need to be mentioned in this Report.

Regarding the Consob Communication, the following is communicated:

- as disclosed in the notes to the financial statements, during the financial year 2024: (i) no atypical or unusual transactions were carried out with related parties, third parties, or intra-group companies; (ii) significant non-recurring transactions were carried out, represented by certain acquisitions, the most significant of which is the acquisition of SKS365, and the issuance on May 29, 2024, by Lottomatica SpA, later merged into Lottomatica Group SpA, of a senior secured bond amounting to Euro 900 million;
- regarding transactions with related parties, including intra-group transactions, they fall within the scope of ordinary activities and concern financial and commercial transactions, whose fees and impacts are disclosed in the notes to the Company's financial statements, to which reference is made. As disclosed in the financial statements as of December 31, 2024, these transactions were concluded at market conditions. The Board of Statutory Auditors also monitored the compliance of the procedure related to transactions with related parties, adopted by the Company, with existing regulations, including the provisions on transparency and public information, as well as its implementation. No findings emerged from the checks that need to be brought to your attention;
- The Board of Directors held 11 meetings, and the Board of Statutory Auditors always attended the meetings. There is no Executive Committee; The Remuneration Committee met 6 times, the Audit and Risk Committee met 9 times, the Related Parties Committee met 4 times, and the ESG Committee met 6 times. During 2024, the Board of Statutory Auditors met 11 times, with an average duration of 2 hours and 50 minutes. The Board of Statutory Auditors always attended all the meetings of the indicated Committees;
- The Board of Statutory Auditors acknowledges the preparation of (i) the Remuneration Report, pursuant to Article 123-ter of the TUF, in which short, medium, and long-term ESG objectives have been integrated, as well as (ii) the Report On Corporate Governance and Ownership Structure of Lottomatica Group, pursuant to Article 123-bis of the TUF, on which there are no observations.

It is also communicated that during 2024 (i) no complaints were received pursuant to Article 2408 of the Civil Code, nor reports from third parties, and (ii) the Board did not use the powers to convene the Shareholders' Meeting and/or the Board of Directors.

Supervision of consolidated sustainability reporting

The Board of Statutory Auditors, in the exercise of its functions, has overseen compliance with the provisions contained in Legislative Decree no. 125/2024 ("*Implementation of Directive 2022/2464/EU on corporate sustainability reporting*", known as "CSRD"), particularly with reference to the preparation process and contents of the Consolidated Sustainability Statement, as well as compliance with the provisions contained in EU Regulation 2020/852 (known as "EU Taxonomy").

Specifically, this Board has been informed about activities related to Consolidated Sustainability Statement and has verified, as far as its competence is concerned, that the Company has fulfilled the obligations established by the aforementioned regulations.

The Consolidated Sustainability Statement is prepared by the company based on data collected and coordinated by the relevant corporate functions. The Board of Statutory Auditors, through

an exchange of information with the involved functions, the ESG Committee and the audit firm, has positively evaluated the setup of procedures adopted for the collection and measurement of the data reported, with particular reference to the: update carried out in 2024 of the double materiality assessment, the preparation of the process for identifying and monitoring ESG indicators to be reported, the update of the so-called "EU Taxonomy", and the content of the Consolidated Sustainability Statement in compliance with the ESRS standards.

Through the aforementioned activities, the Board of Statutory Auditors also:

- verified the presence of an adequate organizational structure for sustainability reporting in terms of human, economic, and information resources;
- acquired information on the adequacy of the administrative accounting system also for the purposes of the Consolidated Sustainability Statement;
- monitored the implementation and receipt of adequate periodic information flows, both quantitative and qualitative, in relation to the reporting for the Consolidated Sustainability Statement;
- acquired information about the activities carried out by the Responsible Manager, whose certification was also examined;
- acquired information about the activities planned and then carried out by the control functions, particularly regarding the implementation of the risk identification and management system;
- monitored the certification activity of the Consolidated Sustainability Statement through regular exchange of information with the auditors.

Within its activities, this Board of Statutory Auditors has not found any evidence of non-compliance and/or violations of the applicable regulations.

The Board of Statutory Auditors also verified the issuance of the report by the auditing firm on the limited assurance of the Consolidated Sustainability Statement. In this report, to which reference is made, the auditing firm certified that, based on the work performed, no elements have come to its attention that would lead it to believe that the Consolidated Sustainability Statement was not prepared in accordance with the ESRS and that the information related to the Taxonomy was not provided in compliance with Art. 8 of the Taxonomy Regulation

Conclusions

The Board of Statutory Auditors has examined the proposals that the Board of Directors, in the meeting of March 3, 2025, resolved to submit to the Shareholders' Meeting convened for April 30, 2025, and declares that it has no observations in this regard.

Following the supervisory activity performed by this Board of Statutory Auditors, considering all the above and taking into account the content of the report prepared by the audit firm on the accounting control and verification of the reliability of the separate financial statements (as well as on the consolidated financial statements), which does not present any findings, and acknowledging the attestations jointly issued by the Chief Executive Officer and the Executive Officer responsible for the preparation of accounting documents, there are no reasons, as far as its competence is concerned, preventing the approval of the proposed separate financial statements as of December 31, 2024, and the allocation of the net result proposed by the Board of Directors.

Rome, March 27, 2025

THE BOARD OF STATUTORY AUDITORS



Prof. Andrea Lionzo



Dott. Giancarlo Russo Corvace

Prof.ssa Veronica Tibiletti



Lottomatica

Reports of the Auditing Firm



Independent auditor's limited assurance report on the consolidated sustainability report

in accordance with article 14-bis of Legislative Decree No. 39 of 27 January 2010

To the shareholders of Lottomatica Group SpA

Conclusion

In accordance with articles 8 and 18, paragraph 1, of Legislative Decree No. 125 of 6 September 2024 (hereinafter also the "Decree"), we have undertaken a limited assurance engagement on the consolidated sustainability report of Lottomatica Group SpA (hereinafter also the "Group") for the year ended 31 December 2024 prepared in accordance with article 4 of the Decree, presented in the specific section of the consolidated directors' report.

Based on the procedures performed, nothing has come to our attention that causes us to believe that:

- the consolidated sustainability report of Lottomatica Group SpA for the year ended 31 December 2024 is not prepared, in all material respects, in accordance with the reporting criteria adopted by the European Commission pursuant to Directive (EU) 2013/34/UE (European Sustainability Reporting Standards, hereinafter also the "ESRS");
- the information set out in paragraph 2.1 "The EU Taxonomy" of the consolidated sustainability report is not prepared, in all material respects, in accordance with article 8 of Regulation (UE) No. 852 of 18 June 2020 (hereinafter also the "Taxonomy Regulation").

Basis for conclusion

We conducted our limited assurance engagement in accordance with the Standard on Sustainability Assurance Engagements - SSAE (Italia). The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our responsibilities under the Standard are further described in the *Auditor's Responsibilities for the Limited Assurance Conclusion on the Consolidated Sustainability Report* section of this report.

PricewaterhouseCoopers SpA

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We are independent in accordance with the principles of ethics and independence applicable to assurance engagements on consolidated sustainability reporting under Italian law.

Our firm applies International Standard on Quality Management 1 (ISQM Italia 1), which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other matters – Comparative information

The consolidated sustainability reporting for the year ended 31 December 2024 includes, in the specific section 2.1. “The EU Taxonomy”, the comparative information referred to in article 8 of the Taxonomy Regulation relating to the year ended 31 December 2023 which was not subject to any review.

Responsibilities of the directors and the board of statutory auditors of Lottomatica Group SpA for the consolidated sustainability report

The directors of Lottomatica Group SpA are responsible for developing and implementing the procedures adopted to identify the information included in the consolidated sustainability report in accordance with the provisions of the ESRS (hereinafter the “materiality assessment process”) and for describing those procedures in note 1.4 “Impact, risk and opportunity management” of the consolidated sustainability report.

The directors are also responsible for preparing the consolidated sustainability report, which contains the information identified through the materiality assessment process, in accordance with the provisions of article 4 of the Decree, including:

- its compliance with the ESRS;
- its compliance with article 8 of the Taxonomy Regulation of the information set out in paragraph 2.1. “The EU Taxonomy”.

That responsibility involves designing, implementing and maintaining, in the terms prescribed by law, such internal control as they determine is necessary to enable the preparation of a consolidated sustainability report in accordance with article 4 of the Decree that is free from material misstatement, whether due to fraud or error. That responsibility also involves selecting and applying appropriate methods for processing the information, as well as developing hypotheses and estimates about specific items of sustainability information that are reasonable in the circumstances.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, compliance with the Decree.

Inherent limitations in the preparation of the consolidated sustainability report

For reporting purpose of the prospective information in accordance with the ESRS, the directors are required to draw up such information on the basis of assumptions described in the consolidated sustainability report regarding events that might occur in the future and possible future actions to be taken by the Group. Because of the unpredictability of the occurrence of whatever future event, as to whether the event can actually take place as well as to the extent and timing of its occurrence, discrepancies between actual values and prospective information could be significant.

The information provided with regard to Scope 3 emissions is subject to higher inherent limitations compared to those of Scope 1 and 2 emissions, because of the poor availability and relative precision of the information used to define the quantitative and qualitative information on Scope 3 emissions relating to the value chain.

Auditor’s responsibilities for the limited assurance conclusion on the consolidated sustainability report

Our objectives are to plan and perform procedures to obtain limited assurance about whether the consolidated sustainability report is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that contains our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the consolidated sustainability report.

As part of our engagement designed to achieve limited assurance in accordance with the Standard on Sustainability Assurance Engagements - SSAE (Italia), we exercised professional judgement and maintained professional scepticism throughout the engagement.

Our responsibilities include:

- Performing risk assessment procedures to identify the disclosures where a material misstatement, whether due to fraud or error, is likely to arise;
- Designing and performing procedures to verify the disclosures where a material misstatement is likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Directing, supervising and performing a limited assurance engagement on the consolidated sustainability report and assuming full responsibility for the conclusion on the consolidated sustainability report.



Summary of the work performed

An engagement designed to obtain limited assurance involves performing procedures to obtain evidence as a basis for our conclusion.

The procedures performed were based on our professional judgement and included inquiries, primarily of personnel of Lottomatica Group SpA responsible for the preparation of the information presented in the consolidated sustainability report, analyses of documents, recalculations and other procedures designed to obtain evidence considered useful.

We performed the following main procedures:

- We understood the Group's business model and strategies, and the environment in which it operates with reference to sustainability issues;
- We understood the processes underlying the generation, collection and management of the qualitative and quantitative information included in the consolidated sustainability report;
- We understood the process implemented by the Group to identify and assess the material impacts, risks and opportunities, in accordance with the double materiality principle, related to sustainability issues and, based on the information thus obtained, we considered whether any contradictory items emerged that could point to the existence of sustainability issues not considered by the Company in the materiality assessment process;
- We identified the disclosures where a material misstatement is likely to arise;
- We defined and performed procedures, based on our professional judgement, to address the risks of material misstatement identified;
- We understood the process implemented by the Group to identify the eligible economic activities and to determine whether they are aligned in accordance with the provisions of the Taxonomy Regulation, and we verified the related disclosures in the consolidated sustainability report;
- We reconciled the information reported in the consolidated sustainability report with the information reported in the consolidated financial statements in accordance with the applicable financial reporting framework, or with the accounting information used for the preparation of the consolidated financial statements, or with management accounting information;
- We verified the structure and presentation of disclosures included in the consolidated sustainability report in accordance with the ESRS;
- We obtained management's representation letter.

Rome, 27 March 2025

PricewaterhouseCoopers SpA

Signed by

Pierpaolo Mosca
(Partner)

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



Independent auditor's report

in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010 and article 10 of Regulation (EU) No. 537/2014

To the shareholders of
Lottomatica Group SpA

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of the Lottomatica Group (the "Group"), which comprise the consolidated statement of financial position as of 31 December 2024, the consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as of 31 December 2024, and of the result of its operations and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of this report. We are independent of Lottomatica Group SpA (the Company) pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

PricewaterhouseCoopers SpA

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Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	Auditing procedures performed in response to key audit matters
Recoverability of goodwill <i>Notes to the consolidated financial statements, section “2.4. Accounting policies and measurement criteria”, paragraphs “2.4.3. Intangible assets” and “2.4.5. Impairment of goodwill and property, plant and equipment, intangible and investment property assets”, sub-paragraph “A) Goodwill”, and note “9.2. Goodwill”.</i> The carrying value of goodwill as of 31 December 2024 was equal to Euro 2,048,563 thousand and referred to groups of cash generating units (“CGU”): “Online” for Euro 1,229,250 thousand, “Sports Franchise” for Euro 405,929 thousand and “Gaming Franchise” for Euro 413,384 thousand. As provided for by IAS 36 “Impairment of assets”, the directors verify, at each period end or if circumstances indicate a possible loss of value, that goodwill had not reported any reduction in value, by comparing the book value with its recoverable amount (“impairment test”). Based on the annual impairment test performed goodwill was considered fully recoverable. The recoverable amount of goodwill is linked to the occurrence of the assumptions underlying the Group’s business plan. Specifically, the recoverable value of the groups of CGUs was determined by calculating the value in use based on the Discounted Cash Flows. Such method is characterised by a high level of complexity and the use of estimates, which are uncertain and subjective by their nature, related to:	As part of our audit, we performed the following main activities, also with the support of the PwC network valuation and legal experts. We performed an understanding and evaluation of the procedures adopted by the directors in carrying out the annual impairment test, in order to verify the compliance with the requirements of IAS 36. We examined the composition of the groups of CGUs to which goodwill was allocated, in order to verify its consistency with the prior year, as well as the related alignment with the organizational, management and operating structure of the Group. We verified, including with the support of available external sources, the reasonableness of the assumptions used by the directors to estimate the expected cash flows for each group of CGUs and whether they were consistent with the Group’s Business plan for 2025-2029 approved by the Board of Directors on 13 December 2024. We verified the mathematical accuracy of the calculations performed. In order to assess the forecasting capacity of the directors, we carried out comparative testing procedures between the main data estimated in the 2024-2028 business plan and

(i) expected cash flows, determined taking into account profitability forecasts and in the event of renewal of land-based betting rights, remote game concessions (GAD) and entertainment device (ADI) concessions; (ii) financial parameters used to determine the discounting and growth rates for the estimate of the terminal value of each group of CGU. For these reasons, we considered the evaluation of the recoverability of goodwill as a key matter for the audit of the consolidated financial statements.	the 2024 actual results. We verified the consistency between assets and liabilities attributable to the groups of CGUs, including the allocated goodwill and the cash flows used to determine the related recoverable value. We analyzed the assumptions performed in determining the cash flows, the discounting rate (WACC) and the growth rate used for the impairment test and we carried out an independent recalculation using parameters applicable to the Group. We examined the sensitivity analyses prepared by the directors on the recoverability of goodwill, with reference to the impact deriving from possible changes in the estimated cash flows, the long-term growth rate and in the discounting rate used. Finally, we verified the completeness and accuracy of the information reported in the notes to the consolidated financial statements.
Revenue recognition <i>Notes to the consolidated financial statements, section “2.4. Accounting policies and measurement criteria”, paragraph “2.4.16. Revenues and costs” and note “8.1. Revenues”.</i> The Group recognized revenues from collections through gaming devices, AWP (Amusement With Prize) and VLT (Video Lottery Terminal), collections from fixed-odds bets and games of skills (through Sports Franchise and online channels) and from the management of gaming halls and owned AWP machines, for a total amount of Euro 2,004,725 thousand. We considered revenue recognition as a key audit matter given the significance of this item, the large number of transactions with low unit amounts and the complexity of the information systems and processes used.	As part of our audit, we performed the following main activities, also with the support of the PwC network specialists in business processes and internal control systems. We performed an understanding of the internal control system, including the IT environment and the applications used, related to the revenue recognition and we evaluated the degree of reliability of the system itself. The effective operation of the internal control system on revenues from gaming devices, betting and games of skill was verified by carrying out tests of control on the key controls, both manual and automatic, identified within the related processes. Furthermore, we carried out substantive procedures on the various types of revenues, by obtaining and analyzing the supporting

	documentation. In particular, we performed reconciliations between gaming data communicated by third sources (Italian Customs and Monopolies Agency [Agenzia delle Dogane e dei Monopoli – ADM] – and other parties to which the letter for balance confirmation was sent) and those resulting from the accounts. Finally, we verified the completeness and accuracy of the information reported in the notes to the consolidated financial statements.
Purchase price allocation for the acquisition of SKS365 Malta Holding Limited Notes to the consolidated financial statements, section “2.3. Basis and principles of consolidation”, paragraph “2.3.2. Business Combinations” and note “7.2. Acquisition of SKS365 Malta Holding Limited”. On 24 April 2024, the Group finalized the acquisition of 100% of the share capital of SKS365 Malta Holding Limited against payment of a consideration of Euro 621,540 thousand. The related purchase price allocation process (“PPA”) was completed within the year-end. As part of the PPA process, the Group directors finally determined, with the support of an external expert, the fair value of the assets acquired and of the liabilities assumed and recognized in the consolidated financial statements at 31 December 2024 net assets for Euro 87,356 thousand and goodwill equal to Euro 534,184 thousand. We considered the determination of the value of assets and liabilities identified within the PPA as a key audit matter given their significance and the complexity of the valuation processes used.	As part of our audit, we performed the following main activities, also with the support of the PwC network valuation experts. We verified the appropriate identification of the assets acquired and liabilities assumed underlying the business combination. We performed a critical examination on the adequacy of the methods adopted by management and the reasonableness of the main assumptions and data used by the directors in determining the fair value of the assets acquired and liabilities assumed. We assessed the technical expertise, capacity and objectivity of the external expert engaged by the directors as well as the methods used for the purposes of the PPA. We verified the adequacy and the completeness of the disclosure provided in the notes to the consolidated financial statements regarding the allocation of the price paid for the acquisition.

Responsibilities of the Directors and the Board of Statutory Auditors for the Consolidated Financial Statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05 and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Group’s ability to continue as a going concern and, in preparing the consolidated financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the consolidated financial statements, the directors use the going concern basis of accounting unless they either intend to liquidate Lottomatica Group SpA or to cease operations, or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, the Group’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- We obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control;
- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- We concluded on the appropriateness of the directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to

continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- We evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- We obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion on the consolidated financial statements.

We communicated with those charged with governance, identified at an appropriate level as required by ISA Italia regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provided those charged with governance with a statement that we complied with the regulations and standards on ethics and independence applicable under Italian law and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate the related risks, or safeguards applied.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We described these matters in our auditor's report.

Additional Disclosures required by Article 10 of Regulation (EU) No. 537/2014

On February 28, 2023 the shareholders of Lottomatica Group SpA in general meeting engaged us to perform the statutory audit of the Company's and the consolidated financial statements for the years ending 31 December 2023 to 31 December 2031.

We declare that we did not provide any prohibited non-audit services referred to in article 5, paragraph 1, of Regulation (EU) No. 537/2014 and that we remained independent of the Company in conducting the statutory audit.

We confirm that the opinion on the consolidated financial statements expressed in this report is consistent with the additional report to the board of statutory auditors, in its capacity as audit committee, prepared pursuant to article 11 of the aforementioned Regulation.

Report on Compliance with other Laws and Regulations

Opinion on compliance with the provisions of Commission Delegated Regulation (EU) 2019/815

The directors of Lottomatica Group SpA are responsible for the application of the provisions of Commission Delegated Regulation (EU) 2019/815 concerning regulatory technical standards on the specification of a single electronic reporting format (ESEF - European Single Electronic Format) (hereinafter, the "Commission Delegated Regulation") to the consolidated financial statements as of 31 December 2024, to be included in the annual report.

We have performed the procedures specified in auditing standard (SA Italia) No. 700B in order to express an opinion on the compliance of the consolidated financial statements with the provisions of the Commission Delegated Regulation.

In our opinion, the consolidated financial statements as of 31 December 2024 have been prepared in XHTML format and have been marked up, in all significant respects, in compliance with the provisions of the Commission Delegated Regulation.

Due to certain technical limitations, some information included in the explanatory notes to the consolidated financial statements when extracted from the XHTML format to an XBRL instance may not be reproduced in an identical manner with respect to the corresponding information presented in the consolidated financial statements in XHTML format.

Opinions and statement in accordance with article 14, paragraph 2, letters e), e-bis) and e-ter) of Legislative Decree No. 39/10 and with article 123-bis, paragraph 4, of Legislative Decree No. 58/98

The directors of Lottomatica Group SpA are responsible for preparing a report on operations and a report on the corporate governance and ownership structure of the Lottomatica Group as of 31 December 2024, including their consistency with the relevant consolidated financial statements and their compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) No. 720B in order to:

- express an opinion on the consistency of the report on operations and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98, with the consolidated financial statements;
- express an opinion on the compliance with the law of the report on operations, excluding the section on the consolidated sustainability reporting, and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98;
- issue a statement on material misstatements, if any, in the report on operations and in the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98.



In our opinion, the directors' report on operations and the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98 are consistent with the consolidated financial statements of the Lottomatica Group as of 31 December 2024.

Moreover, in our opinion, the directors' report on operations, excluding the section on the consolidated sustainability reporting, and the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98 are prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e-ter), of Legislative Decree No. 39/10, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Our opinion on compliance with the law does not extend to the section of the directors' report on operations relating to the consolidated sustainability reporting. The conclusions on the compliance of that section with the rules governing its preparation and on compliance with the disclosure requirements established by article 8 of Regulation (EU) 2020/852 are expressed by ourselves in the report prepared in accordance with article 14-bis of Legislative Decree No. 39/10

Rome, 27 March 2025

PricewaterhouseCoopers SpA

Signed by

Pierpaolo Mosca
(Partner)

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.



Independent auditor's report

in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010 and article 10 of Regulation (EU) No. 537/2014

To the shareholders of
Lottomatica Group SpA

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Lottomatica Group SpA (the "Company"), which comprise the statement of financial position as of 31 December 2024, the statement of comprehensive income, statement of changes in equity, statement of cash flow for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2024, and of the result of its operations and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of this report. We are independent of the Company pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

There are no key audit matters to be communicated in this report.

PricewaterhouseCoopers SpA

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Responsibilities of the Directors and the Board of Statutory Auditors for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05 and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Company's ability to continue as a going concern and, in preparing the financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the financial statements, the directors use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised our professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- We obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- We concluded on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- We evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provided those charged with governance with a statement that we complied with the regulations and standards on ethics and independence applicable under Italian law and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate the related risks, or safeguards applied.

Additional Disclosures required by Article 10 of Regulation (EU) No 537/2014

On 28 February 2023 the shareholders of Lottomatica Group SpA in general meeting engaged us to perform the statutory audit of the Company's and consolidated financial statements for the years ending 31 December 2023 to 31 December 2031.

We declare that we did not provide any prohibited non-audit services referred to in article 5, paragraph 1, of Regulation (EU) No. 537/2014 and that we remained independent of the Company in conducting the statutory audit.

We confirm that the opinion on the financial statements expressed in this report is consistent with the additional report to the board of statutory auditors, in its capacity as audit committee, prepared pursuant to article 11 of the aforementioned Regulation.

Report on Compliance with other Laws and Regulations

Opinion on compliance with the provisions of Commission Delegated Regulation (EU) 2019/815

The directors of Lottomatica Group SpA are responsible for the application of the provisions of Commission Delegated Regulation (EU) 2019/815 concerning regulatory technical standards on the specification of a single electronic reporting format (ESEF - European Single Electronic Format) (hereinafter, the "Commission Delegated Regulation") to the financial statements as of 31 December 2024, to be included in the annual report.

We have performed the procedures specified in auditing standard (SA Italia) No. 700B in order to express an opinion on the compliance of the financial statements with the provisions of the Commission Delegated Regulation.

In our opinion, the financial statements as of 31 December 2024 have been prepared in XHTML format in compliance with the provisions of the Commission Delegated Regulation.

Opinions and statement in accordance with article 14, paragraph 2, letters e), e-bis) and e-ter) of Legislative Decree No. 39/10 and with article 123-bis, paragraph 4, of Legislative Decree No. 58/98

The directors of Lottomatica Group SpA are responsible for preparing a report on operations and a report on the corporate governance and ownership structure of Lottomatica Group SpA as of 31 December 2024, including their consistency with the relevant financial statements and their compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) No. 720B in order to:

- express an opinion on the consistency of the report on operations and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98, with the financial statements;
- express an opinion on the compliance with the law of the report on operations and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98;
- issue a statement on material misstatements, if any, in the report on operations and in the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98.

In our opinion, the directors' report on operations and the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98 are consistent with the financial statements of Lottomatica Group SpA as of 31 December 2024.

Moreover, in our opinion, the directors' report on operations and the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98 are prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e-ter), of Legislative Decree No. 39/10, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Rome, 27 March 2025

PricewaterhouseCoopers SpA

Signed by

Pierpaolo Mosca
(Partner)

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.



LOTTOMatica

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