IZI Finance p.l.c.

Interim Condensed Consolidated Financial Statements (unaudited)

For the six-months period 1 July to 31 December 2025

Company registration number: C 101228

Contents

Directors' report

The directors present their half-yearly report and the interim condensed consolidated financial statements for the period 1 July to 31 December 2025.

Basis of preparation

The published figures for the reporting period have been extracted from the unaudited consolidated financial statements of IZI Finance p.l.c. ('the Group') for the six months period ended 31 December 2025 and the comparative period in 2024. The comparative statement of financial position as of 30 June 2025 has been extracted from the audited financial statements of the Group for the period ending on that date. This report is being published in terms of the Capital Markets Rule 5.74 issued by the Listing Authority and has been prepared in accordance with the applicable Capital Markets Rules and International Accounting Standard 34, 'Interim Financial Reporting'. In terms of Capital Markets Rule 5.75.5, the Directors are stating that this Half-Yearly Financial Report has not been audited, or reviewed, by the Group's independent auditors.

Principal activities

IZI Finance p.l.c. (the 'Company') was registered with the Malta Business Registry on 30 December 2021. The Company holds interests in several subsidiaries operating in the lottery and gaming industries. These include the exclusive concession to manage and operate the National Lottery of Malta, the Dragonara Casino concession, interactive gaming and property.

Review of financial performance

During these first six months, The Group delivered a robust financial performance, across multiple metrics:

- Total Turnover reached € 560.9 million; a 25% increase compared to the € 448.2 million generated during the same reporting period in 2024.
- Total Player Winnings amounted to € 506.3 million; a 26% increase compared to the € 402.3 million winnings paid out during the same period in 2024.
- Total Gross Gaming Revenue (GGR) reached € 53.9 million; a 19% increase compared to the € 45.3 million of GGR generated during the same reporting period in 2024.
- Other Revenue amounted to € 0.36 million compared to € 0.29 million generated during the same period in 2024.

This revenue growth resulted in a solid Earnings Before Interest, Tax, Depreciation, and Amortisation (EBITDA) of € 18.1 million (2024: € 13.4 million), reflecting a substantial increase of 35%. The EBITDA margin improved by 3.8 percentage points, rising from 29.5% to 33.3%, driven by improved operational efficiency and disciplined cost management. The EBITDA calculation is detailed in note 3.

National Lottery plc was the largest contributor, accounting for 59% of the total Group's EBITDA. This was followed by Dragonara Gaming Limited which generated 23% of the Group's EBITDA, whilst interactive gaming contributed 7% of the Group's total EBITDA. The remaining entities, including the property and intellectual property businesses, contributed the remaining 11% of the Group's consolidated EBITDA.

Operating Profit, Depreciation and Amortisation

Operating profit for the period rose to € 9.3 million, a material improvement of 79% from the € 5.2 million generated during the same period in 2024. Depreciation and amortisation expenses amounted to € 10.2 million (2024: € 9.8 million), reflecting the Group's ongoing capital investment programme aimed at enhancing operational efficiency and securing long-term growth. This figure includes the amortisation of the concession fees paid to the Government of Malta by National Lottery plc and Dragonara Gaming Limited.

Profit Before Tax

The Group's profit before tax increased to €6.9 million (2024: €2.7 million), representing a 156% year-on-year increase. This improvement was driven by robust revenue growth, a significant increase in EBITDA, and lower finance costs, reflecting improved performance and effective financial and cost management across the Group's subsidiaries.

Balance Sheet and Liquidity

At the close of the reporting period, the Group's total equity increased to € 90.5 million compared to € 85.8 million in June 2025. Total assets stood at € 265.5 million (June 2025: € 259.3 million), and total liabilities increased to € 175.0 million (June 2025: € 173.6 million).

Notably, for the period ended 31 December 2025, the Group generated positive cash flows from operations amounting to €19.2 million (2024: €11.4 million), representing a 68% increase compared to the prior year. This strong cash generation provides a solid financial foundation for accelerated growth in the coming periods, particularly as the majority of the Group's capital investment phase has now been completed. The Group is therefore well positioned to realise increased returns on these investments, especially in the context of its planned expansion into international markets.

State of affairs and outlook

During the current financial period, the Group delivered a record financial performance, achieving consistent year-on-year growth across all key financial metrics, in line with and in most areas exceeding same periods in prior financial years. This outstanding performance reflects strong and disciplined operational execution across all business lines, resulting in outcomes fully aligned with the Board's strategic growth objectives. The results achieved during the period provide clear validation of the Group's commercial strategy, scalable operating model, and underlying resilience, underpinned by a sustained focus on profitable growth, targeted technology adoption, and continued investment in high-calibre talent.

Looking ahead, the Board remains confident in the Group's trajectory and will continue to work closely with management to build on this exceptional momentum. Strategic priorities for the forthcoming periods include further efficiency gains, enhanced operational optimisation, and the accelerated realisation of synergies across the Group's businesses. Through continued leverage of technology, the attraction and retention of top-tier talent, and a culture of innovation, the Group is well positioned to strengthen its market leadership and deliver sustained long-term value for shareholders.

As the Group consolidates its strong domestic performance, international expansion (particularly within the Casino, Sports Betting, Video Lottery Terminals (VLTs), and Historical Horse Racing (HHR) sectors) represents the next major phase of its growth strategy. Building on a proven operating model, scalable technology platform, and transferable capabilities, the Group has commenced the structured evaluation of selected international markets where its value proposition is highly relevant and defensible. This approach will be disciplined and phased, prioritising jurisdictions with favourable regulatory environments, high-barriers to entry, strong demand fundamentals, and opportunities to leverage partnerships or platform-led deployment.

The Board views internationalisation as a natural progression of the Group's evolution and a key driver for diversifying revenue streams, enhancing long-term growth optionality, and further strengthening the Group's competitive positioning over the medium to long term.

In support of this strategy, the Board of Directors of IZI Finance p.l.c. is actively evaluating a return to the capital markets through a second issuance of bonds on the Official List of the Malta Stock Exchange. In this regard, the Company expects to submit an application to the Malta Financial Services Authority for the admission to listing of up to € 30 million in unsecured bonds, redeemable in 2036. Subject to the receipt of the necessary regulatory approvals, the proposed bonds will be offered to all categories of investors.

The proposed bond issuance is intended to support this international expansion, building on the strong operational and financial foundations established in recent years, as also underlined by the positive performance in this financial period. The Group has already identified several feasible and well-advanced international growth opportunities, and the proposed issuance is designed to provide the financial flexibility required to pursue these opportunities in a disciplined and sustainable manner.

This initiative will set an important milestone in the Group's long-term development and reflects the Board's confidence in the Group's strategy, operating model, and people. By leveraging its proven capabilities, the Group will maintain its prudent approach whilst aiming to create further sustainable value for its stakeholders, while continuing to uphold the highest standards of responsible gaming and regulatory compliance.

Directors

The following have served as directors of the Company during the period under review:

Dr Christian Gernert - Chairman
Mr Johann Schembri
Mr Franco De Gabriele
Mr Jacqueline Camilleri
Dr Stephanie Fabri
Dr Otto Karasek

In accordance with the Company's Articles of Association, the present directors remain in office.

On behalf of the Board,

Johann Schembri
Director

Christian Gernert
Director

Registered address:
The Quad Central, Q3, Level 11
Triq l-Esportaturi, Zone 1, CBD
Birkirkara
Malta

27 January 2026

Condensed consolidated statement of comprehensive income

	Note	31 December 2025 (6 months) €	31 December 2024 (6 months) €
Turnover		560,879,062	448,167,990
Player winnings		(506,306,573)	(402,341,257)
Bonus costs		(679,006)	(552,014)
Gross gaming revenue		**53,893,483**	**45,274,719**
Other revenue		358,204	287,839
Total revenue	4	**54,251,687**	**45,562,558**
Other income		406,131	323,932
Staff costs		(7,341,478)	(7,061,680)
Gaming tax		(16,430,851)	(13,990,158)
Other operating expenses		(11,432,465)	(9,886,200)
Depreciation and amortisation		(10,151,081)	(9,767,946)
Operating profit		**9,301,943**	**5,180,506**
Finance income		1,775	-
Finance costs		(2,381,788)	(2,464,913)
Profit before tax		**6,921,930**	**2,715,593**
Tax expense		(2,627,169)	(1,027,575)
Profit for the period		**4,294,761**	**1,688,018**
Profit for the period attributable to:			
Non-controlling interest		922,595	689,052
Owners of the parent		3,372,166	998,966
		4,294,761	**1,688,018**

Condensed consolidated statement of financial position

	Notes	31 December 2025 €	30 June 2025 €
Assets			
Non-current			
Goodwill		61,595,544	61,595,544
Intangible assets	5	104,005,953	109,777,133
Property, plant and equipment	6	25,536,950	25,872,735
Right-of-use assets	7	43,706,915	42,631,839
Investment properties		5,580,852	5,526,635
Trade and other receivables		400,000	-
Other assets		2,298,163	2,334,765
Deferred tax asset		283,657	375,664
		243,408,034	**248,114,315**
Current			
Inventories		781,246	815,971
Trade and other receivables		3,850,761	3,342,945
Current tax asset		8,384	17,764
Cash and cash equivalents	8	17,443,515	7,033,757
		22,083,906	**11,210,437**
Total assets		**265,491,940**	**259,324,752**

Condensed consolidated statement of financial position – continued

	Notes	31 December 2025 €	30 June 2025 €
Equity			
Share capital		80,000,001	80,000,001
Retained earnings (accumulated losses)		816,311	(2,555,855)
		80,816,312	**77,444,146**
Non-controlling interest		9,692,045	8,319,450
Total equity		**90,508,357**	**85,763,596**
Liabilities			
Non-current			
Bank borrowings	9	24,713,415	28,195,827
Debt securities in issue		29,719,935	29,676,848
Trade and other payables	10	45,569,131	49,848,125
Deferred tax liability		13,320,298	10,813,499
Lease liabilities	7	28,034,815	26,577,227
		141,357,594	**145,111,526**
Current			
Bank borrowings	9	12,265,127	8,217,764
Trade and other payables	10	19,859,890	18,744,156
Lease liabilities	7	1,481,995	1,487,710
Current tax liability		18,977	-
		33,625,989	**28,449,630**
Total liabilities		**174,983,583**	**173,561,156**
Total equity and liabilities		**265,491,940**	**259,324,752**

Johann Schembri
Director

Christian Gernert
Director

Condensed consolidated statement of changes in equity

	Share capital	Retained earnings (accumulated losses)	Attributable to the owners of the parent	Non-controlling interest	Total equity
	€	€	€	€	€
At 1 July 2025	80,000,001	(2,555,855)	77,444,146	8,319,450	85,763,596
Issue of share capital to non-controlling interest	-	-	-	450,000	450,000
Profit for the period	-	3,372,166	3,372,166	922,595	4,294,761
At 31 December 2025	**80,000,001**	**816,311**	**80,816,312**	**9,692,045**	**90,508,357**
At 1 July 2024	80,000,001	(4,643,312)	75,356,689	7,782,302	83,138,991
Dividends paid to non-controlling interest	-	-	-	(320,000)	(320,000)
Profit for the period	-	998,966	998,966	689,052	1,688,018
At 31 December 2024	**80,000,001**	**(3,644,346)**	**76,355,655**	**8,151,354**	**84,507,009**

Condensed consolidated statement of cash flows

	Notes	31 December 2025 (6 months) €	31 December 2024 (6 months) €
Operating activities			
Profit before tax		6,921,930	2,715,593
Adjustments	11	12,658,785	12,093,663
Net changes in working capital	11	(411,917)	(3,403,365)
Net cash from operating activities		**19,168,798**	**11,405,891**
Investing activities			
Payments to acquire intangible assets		(4,270,502)	(4,234,324)
Payments to acquire property, plant and equipment		(2,629,596)	(3,449,848)
Payments to acquire investment properties		(54,217)	(215,617)
Net cash used in investing activities		**(6,954,315)**	**(7,899,789)**
Financing activities			
Dividends paid to non-controlling interest		(480,000)	(320,000)
Issue of shares to non-controlling interest		450,000	-
Proceeds from bank loans		4,542,887	1,831,827
Repayments of bank loans		(3,997,933)	(3,689,404)
Repayments of lease liability		(820,650)	(851,843)
Interest paid on lease liability		(541,942)	(675,365)
Interest paid		(957,087)	(1,040,209)
Net cash used in financing activities		**(1,804,725)**	**(4,744,994)**
Net change in cash and cash equivalents		**10,409,758**	**(1,238,892)**
Cash and cash equivalents, beginning of period		7,033,757	6,887,965
Cash and cash equivalents, end of period		**17,443,515**	**5,649,073**

Notes to the interim condensed consolidated financial statements

1 General information, basis of preparation and statement of compliance with IFRS

The Interim Condense Consolidated Financial Statements are for the six months ended 31 December 2025 and are presented in Euro, which is the functional currency of the Group. They have been prepared in accordance with IAS 34 'Interim Financial Reporting' as issued by the International Accounting Standards Board. They do not include all of the information required in annual financial statements in accordance with IFRS and should be read in conjunction with the audited consolidated financial statements for the year ended 30 June 2025.

IZI Finance p.l.c. (the 'Company') is the Group's parent company. It is a public limited liability company incorporated and domiciled in Malta.

During the period, the Group incorporated a new subsidiary in Austria, IZIBET GmbH with company registration number FN667686t.

The Interim Condensed Consolidated Financial Statements were approved for issue by the Board of Directors on 27 January 2026.

2 Summary of accounting policies

The Interim Condensed Consolidated Financial Statements have been prepared in accordance with the accounting policies adopted in the Group's most recent annual financial statements for the year ended 30 June 2025.

3 Earnings before interest, tax, depreciation and amortisation (EBITDA)

EBITDA is a non-GAAP financial measure used by management to evaluate the Group's operating performance. The Group calculates EBITDA as follows:

EBITDA = Operating Profit + Depreciation and Amortisation – Lease Payments

Where:

- Operating Profit is as defined in the condensed consolidated statement of comprehensive income.
- Lease Payments is the sum of Repayment and Interest Paid on Lease Liability as disclosed in the condensed consolidated statement of cash flows.

The Group believes EBITDA provides useful information to investors regarding its operating performance by excluding the impact of interest, taxes, depreciation, and amortisation, which can vary substantially depending on capital structure, asset base, and depreciation policies.

EBITDA for the reporting period is as follows:

	31 December 2025 (6 months) €	31 December 2024 (6 months) €
Operating profit	9,301,943	5,180,506
Add: Depreciation and amortisation	10,151,081	9,767,946
Less: Rent payments	(1,362,592)	(1,527,208)
EBITDA	**18,090,432**	**13,421,244**
Total revenue	54,251,687	45,562,558
Percentage of EBITDA over total revenue	**33.3%**	**29.5%**

4 Segment reporting

Management currently identifies the Group's four revenue streams as its operating segments. The Group's Chief Operating Decision Maker (CODM) is the Chief Executive Officer, and he monitors the performance of these operating segments as well as deciding on the allocation of resources to them. Segmental performance is monitored using adjusted segment operating results.

Segment information for the reporting period is as follows:

	31 December 2025 (6 months) €	31 December 2024 (6 months) €
National Lottery	36,428,998	30,219,709
Dragonara Casino	14,898,470	12,931,410
iGaming	2,566,015	2,123,600
Others Revenue	358,204	287,839
Total revenue	**54,251,687**	**45,562,558**

5 Intangible assets

The Group's intangible assets include concession fee, acquired software licences, trademark and domains, key money and internally developed website. Acquisitions during the period amounted to € 394,008 whilst depreciation for the period amounted to € 6,165,188.

6 Property, plant and equipment

Property, plant and equipment acquired during the period amounted to € 2,628,860 whilst depreciation for the period amounted to € 2,964,645.

7 Right-of-use assets and lease liabilities

The Group leases some commercial premises for its National Lottery point of sales. Total lease payments during the period amounted to € 1,362,592.

Total depreciation of right-of-use assets for the period amounted € 1,021,248.

8 Cash and cash equivalents

Cash and cash equivalents include the following components:

	31 December 2025 €	30 June 2025 €
Bank deposits	13,347,935	3,470,254
Cash in hand	4,095,580	3,563,503
	17,443,515	**7,033,757**

The cash balance as at 31 December 2025 includes € 4.0 million injected as share capital into one of the Group's subsidiaries, as explained in note 9 (Borrowings). This amount represents share capital invested but not yet utilised as at 31 December 2025 by the said subsidiary.

9 Borrowings

During the period, the Group obtained a bridge loan of € 4.0 million from Bank of Valletta p.l.c. to finance the injection of equity into its Austrian subsidiary, IZI Entertainment GmbH. This financing is aligned with the Group's international expansion strategy.

In addition, the Group secured a € 1.0 million loan facility from Bank of Valletta p.l.c. to fund capital expenditure related to the establishment of a new Bingo & HHR facility in Victoria Gozo, of which € 252,296 had been drawn down as at 31 December 2025.

10 Trade and other payables

	31 December 2025 €	30 June 2025 €
Non-current		
Concession fees payable	42,641,419	46,580,413
Provisions	500,000	500,000
Cash guarantees from agents	157,500	157,500
Amounts owed to parent company	2,270,212	2,610,212
Total non-current liabilities	**45,569,131**	**49,848,125**
Current		
Concession fees payable	7,877,987	7,815,487
Trade payables	4,889,996	3,876,410
Players funds	367,148	218,646
Provisions	1,103,548	975,857
Amounts owed to other related parties	-	480,000
Accruals	1,680,190	1,754,205
Other payables	407,888	346,635
Financial liabilities	**16,326,757**	**15,467,240**
Statutory liabilities	3,533,133	3,276,916
Total current liabilities	**19,859,890**	**18,744,156**

11 Cash flow adjustments and changes in working capital

The following cash flow adjustments and changes in working capital have been made to profit before tax to arrive at operating cash flow:

	31 December 2025 (6 months) €	31 December 2024 (6 months) €
Adjustments:		
Depreciation and amortisation	10,151,081	9,767,946
Interest income	(1,775)	-
Interest expense	2,381,788	2,464,913
Provision for jackpots and cash and bonus points	127,691	(139,196)
	12,658,785	**12,093,663**
Net changes in working capital:		
Changes in inventories	34,725	16,328
Changes in trade and other receivables and other assets	(869,439)	(1,067,146)
Changes in trade and other payables	422,797	(2,352,547)
	(411,917)	**(3,403,365)**

12 Post balance sheet events

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation.

Statement pursuant to Capital Markets Rule 5.75.3

We confirm that to the best of our knowledge:

- the interim financial statements give a true and fair view of the financial position of IZI Finance p.l.c. as at 31 December 2025, and of its financial performance and its cash flows for the six-month period then ended in accordance with International Financial Reporting Standards as adopted by the EU applicable to interim financial reporting (International Accounting Standard 34 – Interim Financial Reporting), and

- the interim Directors' Report includes a fair view of the information required in terms of Capital Market Rules 5.81 to 5.84.

Johann Schembri
Director

Christian Gernert
Director

27 January 2026