

The Board of Directors
IZI Finance p.l.c.
Q3, Level 11, The Quad Central
Triq l-Esportaturi
Birkirkara. CBD 1040

26 November 2025

Dear Sirs,

IZI Finance p.l.c. – Update to the Financial Analysis Summary (the “Update FAS”)

In accordance with your instructions and in line with the requirements of the Listing Policies, we have compiled the updated Financial Analysis Summary set out on the following pages and which is being forwarded to you together with this letter.

The purpose of the Update FAS is that of summarising key financial data appertaining to IZI Finance p.l.c. (a public limited liability company registered under the laws of Malta bearing company registration number C 101228) (the “Company” or “Issuer” or “Group”). The data is derived from various sources or is based on our own computations and analysis of the following:

- a. financial information from the audited consolidated financial statements for the years ending 30 June 2023, 2024, and 2025;
- b. forecast financial information for the year ending 30 June 2026 as provided by management of the Issuer;
- c. our commentary on the results of the Issuer and on the respective financial position is based on the explanations provided by the Issuer;
- d. the ratios quoted in the Financial Analysis Summary have been computed by us applying the definitions as set out and defined within the Analysis; and
- e. relevant financial data in respect of competitors as analysed in part D has been extracted from public sources such as the web sites of the companies concerned, financial statements filed with the Registrar of Companies and the publications of the regulator of the gaming industry in Malta, namely the Malta Gaming Authority (MGA).

The Update FAS is provided to assist potential investors by summarising the more important financial data of the Issuer. The Update FAS does not contain all data that is relevant to potential investors and is intended to complement, and not replace, financial and, or investment advice. The Update FAS does not constitute an endorsement by our firm of the bonds of the Issuer and should not be interpreted as a recommendation to invest. We shall not accept any liability for any loss or damage arising out of the use of the Update FAS and no representation or warranty is provided in respect of the reliability of the information contained in this report. As with all investments, potential investors are encouraged to seek professional advice before investing.

Yours sincerely,



Doreanne Caruana

Head of Corporate Advisory

FINANCIAL ANALYSIS SUMMARY

2025

IZI | FINANCE plc

*Prepared by Rizzo, Farrugia & Co (Stockbrokers) Ltd, in compliance
with the Listing Policies issued by the Malta Financial Services Authority,
dated 5 March 2013, as revised on 13 August 2021.*

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IMPORTANT INFORMATION

PURPOSE OF THE DOCUMENT

IZI Finance p.l.c. (the “**Company**”, “**Issuer**” or “**Group**”) has issued €30 million 4.25% unsecured bonds maturing in 2029 (the “**Bond Issue**”), pursuant to a prospectus dated 22 March 2022 (the “**Prospectus**”). This Update FAS has been prepared in line with the requirements of the Listing Policies as last updated by the MFSA on 13 August 2021. The purpose of this report is to provide a summary on the financial performance and position of the Group.

SOURCES OF INFORMATION

The information that is presented has been collated from several sources, including the audited consolidated financial statements for the years ended 30 June 2023, 2024, and 2025, and forecasts for financial year ending 30 June 2026, as well as information from management and MGA annual, interim and monthly reports as duly published.

Forecasts included in this document have been prepared and approved for publication by the directors of the Company, as applicable, who undertake full responsibility for the assumptions on which these forecasts are based.

Wherever used, FYXXXX refers to financial year covering the period 1 July to 30 June. The financial information is being presented in thousands of euros (€), unless otherwise stated, and has been rounded to the nearest thousand.

PREVIOUS FAS ISSUED

The Company has published the following FAS which are available on its website:

FAS dated 22 March 2022 (appended to the Prospectus)

FAS dated 28 December 2022

FAS dated 19 December 2023

FAS dated 17 December 2024

ABBREVIATIONS

B2C	Business to Consumer
CY	Calendar Year
DGL	Dragonara Gaming Limited
EGMs	Electronic Gaming Machines
FY	Financial Year
GGR	Gross Gaming Revenue
HHR	Historical Horse Racing
IIL	IZI Interactive Limited
MGA	Malta Gaming Authority
NLOs	National Lottery Outlets
Y-O-Y	Year-On-Year
VLTs	Video Lottery Terminals

1. INTRODUCTION

IZI Finance p.l.c. (the “**Issuer**”, the “**Company**” or the “**Group**”) is the holding and finance vehicle for a number of subsidiaries operating in the lottery and gaming industries. Although the Issuer was set up on 30 December 2021, its subsidiaries have extensive experience in the industry having been in business for a long number of years.

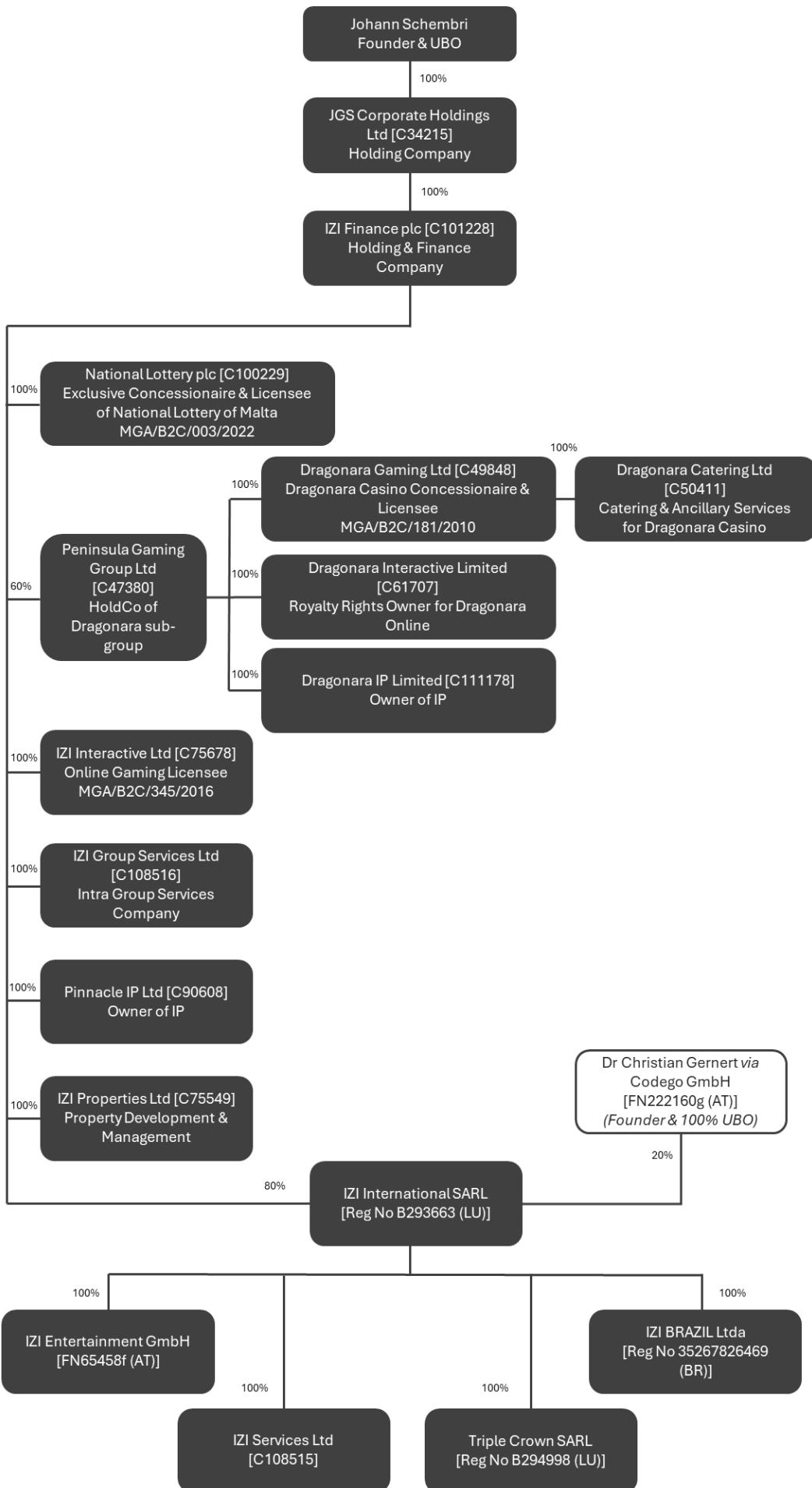
The Group is a key player in the land-based gaming sector operating a wide range of product verticals including Numerical Lotteries, Instant Lottery, Virtual Sports, Video Lottery Terminals (VLTs), Historical Horse Racing (HHR)¹, Electronic Gaming Machines (EGMs), Sports Betting and Land-Based Casinos. National Lottery plc has been operating the National Lottery Concession for just over three (3) years, whilst Dragonara Gaming Limited has successfully operated the Dragonara Casino since 2010.

IZI Interactive Limited is the iGaming operating subsidiary of the Group and offers all product verticals in digital format via three domains, <https://dragonara.com>, <https://izibet.com> and <http://lottery.mt>.

¹ *Historical Horse Racing (HHR) is an electronic gaming product that allows players to bet on replays of horse races that have already taken place, using terminals that typically resemble slot machines.*

2. GROUP STRUCTURE

The below group structure shows all companies forming part of the Group:



3. BUSINESS OVERVIEW

NATIONAL LOTTERY

The National Lottery of Malta was established in 1923 and was operated by the Government of Malta until it was first privatised in 2004. Between the years 2004 and 2022 the National Lottery of Malta was operated and managed by Maltco Lotteries Ltd, a subsidiary of the Intralot Group. Following an international call for tenders issued in 2021, National Lottery p.l.c. was awarded the National Lottery Concession and the National Lottery Licence issued by the Government of Malta and the Malta Gaming Authority respectively with operations commencing on 5 July 2022. The National Lottery Licence is valid for ten years expiring on 4 July 2032 and grants National Lottery p.l.c. the rights to operate all terrestrial Lottery Games on an exclusive basis and other games on a non-exclusive basis.

National Lottery p.l.c. offers the games portfolio described below through a network of authorised agents, own stores and online.

- **Lottery Games**

Lottery games comprise some of the most popular legacy numerical draw-based games such as Lotto, Super5, FastKeno and Pick3 and subsets of these games such as Super5 Plus and Super5-4-3-2-1 and Super5-4-3-2-1 Plus. Lottery games also include bingo, virtual sports and instant scratch cards; the latter sold under the brand name ScratchIZ.

- **Other Games**

Other games comprise a wide range of products including sports betting, pool-based betting (Tote) and gaming machines; the latter can be further subdivided into Electronic Gaming Machines (EGMs), Electronic Gaming Terminals (EGTs), Historical Horse Racing (HHR), and Video Lottery Terms (VLTs).

Since taking over the management and operation of the National Lottery of Malta, National Lottery p.l.c. has embarked on a growth strategy that has transformed the sector in many ways. This transformative approach has enabled National Lottery p.l.c. to increase Gross Gaming Revenue (GGR) by 75.8%, when comparing the best performing year of the previous operator (FY2021)² with the last fiscal year of National Lottery p.l.c. (July 2024 – June 2025)³.

National Lottery p.l.c. has attained this remarkable growth, while ensuring its commitment to safe, transparent and responsible gaming. During the past year, National Lottery p.l.c. upheld its

² Audited Financial Statements of Maltco Lotteries Limited (FY2021)

³ Audited Financial Statements of National Lottery p.l.c. (FY2025)

commitment to Responsible Gaming and Operations Security as evidenced by its Level 4 Responsible Gaming and Level 2 Operational Security certifications respectively, from the World Lottery Association (WLA) and European Lotteries (EL). National Lottery p.l.c. operates under the highest levels of operational excellence as attested by its ISO/IEC27001:2022 certification for excellence in security and operations from the WLA. More recently, National Lottery p.l.c. became a member in ULIS (United Lotteries for Integrity in Sport), the international body safeguarding sports integrity.

LAND BASED CASINO

Since 2010, Dragonara Gaming Limited (“DGL”) has been the concessionaire of the Dragonara Casino located within the Dragonara Palace, a 19th century palace which is one of the most iconic properties in Malta. The Dragonara was granted its first casino licence by the Government of Malta in 1964 in a bid to attract high-value tourism to Malta post-independence. In 2010, DGL successfully tendered for the concession of the Dragonara Casino which it also successfully retained in 2021 for a further 10-years after again winning an international tender launched by the Malta Government in this respect.

In connection with the casino concession, DGL currently holds a B2C licence (covering Type 1, 2 & 3 gaming services) issued by the MGA, which is valid until 28 July 2033, following the granting of a two-year extension to the concession term by the Government of Malta to partially mitigate the burden that licensed casino operators suffered during the COVID-19 pandemic.

The Dragonara Casino offers a strong product portfolio featuring 274 slots and 20 live tables, including a live dual-play roulette available online 24 hours a day. Moreover, the service offering at Dragonara Casino is complimented by several in-house facilities including 130 parking bays (offering free parking to casino patrons), dining facilities and a VIP lounge.

Moreover, DGL holds a temporary sub-emphyteusis over the title of the property constituting the Dragonara Casino and its immediate surroundings. This sub-emphyteusis was granted by Casma Limited and expires in March 2083. DGL is permitted to use the property exclusively for land-based casino and other gaming activities, retail, catering, entertainment, hospitality, and tourism. The long-term lease enables the Group to consider further development of this site. The Group has undertaken preliminary studies on the possibility of extending the Dragonara Casino, a project that aims at offering a more holistic and diversified casino experience.

IGAMING

The iGaming segment is operated by IZI Interactive Limited (“IIL”) which was incorporated in May 2016 to extend the reach of the Group to the ever-growing digital gaming market with the support of various

providers. Through the provision of iGaming the Group can target a diverse audience through different delivery channels.

IIL operates and manages three domains: www.izibet.com (offering online sports and casino), www.dragonara.com (offering online casino) and www.lottery.mt (offering online lottery and casino). IIL utilises its Type 1 gaming licence to provide online lottery services for National Lottery p.l.c.

IIL holds a B2C licence (covering Type 1 & 2 gaming services) issued by the MGA which expires on 11 May 2027 and renewable upon request.

As a result, the Group can leverage synergies by extending both the resources and the know-how to effectively distribute, predominantly in the local market, lottery, casino, and sports betting under three very strong brand names.

PROPERTY MANAGEMENT

This business sector is a non-core activity of the Group.

On 20 July 2019, IZI Properties Limited (formerly known as St. George Developments Limited), a subsidiary of the Issuer, entered into a temporary emphyteusis, for a period of 30 years, for a property in St. Julian's. Construction commenced in 2020 and, although not completed as at the reporting date, is at its final stages. The property is expected to be ready for lease during the current financial year ending 30 June 2026. On 19 December 2022, the subsidiary acquired a retail outlet in Sliema for €120,000, which is being held for the purpose of earning rental income.

As at the date of this report, the Group owns arable land known as Ta' Minka, situated in Wardija, Malta, measuring approximately 4,347 square metres. This land is held for future agricultural use. During financial year ending 30 June 2025, IZI Properties Limited acquired three additional plots of land from related parties: one in Naxxar and two in St Paul's Bay, at a total cost of €2.7 million. In addition, the same subsidiary also acquired a maisonette in Balzan for the cost of €0.4 million. These properties are being held for potential future capital appreciation.

OTHER DEVELOPMENTS

The Group has experienced exponential growth in the past years, principally as it managed to incorporate the business opportunities afforded to it by virtue of the concession of the National Lottery which mandated the takeover of all the activities and personnel of the former concessionaire (Maltco Lotteries Limited) and the introduction of new product verticals. Today, the Group has a workforce of

517 employees. In terms of facilities requirements, the Group has transitioned its corporate headquarters from the Portomaso Business Tower to the Quad Towers in Mriehel. Moreover, due to its logistical and inventory requirements, the Group has also rented warehousing and storage facilities in Mriehel.

STRATEGIC OUTLOOK

In FY2026 and beyond, the primary focus of the Group is to further maximise and consolidate its operations. The growth focus is expected to be achieved through a five-pronged strategy, including:

- continued enhancements to the current games portfolio;
- introduction of new product categories and the establishment of another Bingo & HHR facility;
- augment, expand and sustain improvements in the retail distribution network;
- strengthening the Group's digital reach; and
- improve margins through further cost-optimisation measures.

In the medium term, the Group is also focused to leverage specific international business development opportunities emerging from its expertise and set-up as a lottery and casino concessionaire. The HHR project launched in July 2024 is a clear example of how the Group can leverage its operations to introduce a new product vertical into the market, which was the first HHR installation outside the USA. Such project opens scalable business development opportunities, primarily in EU markets. Through such project and other similar initiatives, the Group is laying the groundwork for scalable international business opportunities that could possibly change the fabric of the Group in the future. As part of its broader growth strategy, the Group is actively exploring international expansion, with a strong focus on land-based casinos, lottery, retail gaming and HHR.

4. CORPORATE GOVERNANCE AND MANAGEMENT

BOARD OF DIRECTORS

The Company's board of directors as at the date of this document comprises the following:

Christian Gernert	Chairman and Chief Operating Officer
Johann Schembri	Chief Executive Officer
Franco de Gabriele	Executive Director and Chief Commercial Officer
Jaqueline Camilleri	Non-Executive, Independent Director
Stephanie Fabri	Non-Executive, Independent Director
Otto Karasek	Non-Executive, Independent Director

The Company Secretary is Dr Louis de Gabriele.

SENIOR MANAGEMENT

The following is the senior management team within the Group:

Johann Schembri	Chief Executive Officer
Christian Gernert	Chief Operating Officer
Franco de Gabriele	Chief Commercial Officer
Chris Fenech	Chief Financial Officer
Duncan Borg Myatt	Chief Corporate Services Officer
Albert Muscat	Chief Technology Officer
Andreas Scherrer	General Manager, National Lottery p.l.c.
Kevin Reich	General Manager, Dragonara Gaming Limited
Maria Barbara	Group Head - Risk, Compliance & Legal AML
Cristian Rachieru	Group Head of Digital & Brands

5. MAJOR ASSETS

The Issuer is a special purpose vehicle set up to act as a holding and financing company of the operating entities within the Group. Therefore, the assets described below are held indirectly through the Group's subsidiaries.

The Group's major assets include:

- (i) **Goodwill** – primarily consisting of goodwill recognised upon business combination following the corporate restructuring undertaken in December 2021;
- (ii) **Intangible assets** - comprising of: (1) Government concessions to manage and operate the National Lottery of Malta and the Dragonara Casino; (2) the fair value of trademarks and domains; and (3) software;
- (iii) **Property, plant, and equipment** – comprising improvements to leased properties, gaming equipment, office and computer equipment, furniture, electrical and sanitary fittings, works in progress and motor vehicles;
- (iv) **Investment Property** – as described further in section 3 of this report, having a value of **€5.5 million as at the end of FY2025 (FY2024: €2 million)**;
- (v) **Right of use assets** - comprising the leases related to the rented properties as well as the sub-emphyteusis held over the property comprising the Dragonara Casino; and
- (vi) **Cash and cash equivalents** – reflecting the Group's cash reserves as of 30 June 2025.

The Group's major assets, based on the financial statements for the years ended 30 June 2023, 2024 and 2025 were:

as at 30 June	2025	2024	2023
	€'000	€'000	€'000
Goodwill	61,595	61,595	61,596
Intangible Assets	109,777	121,364	130,181
Property, Plant & Equipment	25,873	25,774	21,849
Investment Property	5,527	2,037	1,425
Right of use of Asset	42,632	43,859	44,690
Cash and cash equivalents	7,034	6,888	11,569
	252,438	261,515	271,309

An analysis of the Group's assets is included in the Statement of Financial Position of the Group which can be found in section 9 of this Update FAS.

6. MARKET OVERVIEW⁴

ECONOMIC CONTRIBUTION

As duly reported by the Malta Gaming Authority (MGA) in its 2024 Annual Report, the gaming sector in Malta is one of the most important economic pillars given its significant contribution to the country, generating just under 7% of the Gross Value Added (GVA) of the Maltese economy. This performance reflects the industry's resilience and strategic importance, even as other sectors record accelerated growth. The gaming industry generated €1,386 million in GVA representing 6.7% of the economy total, a growth of 3.6% when compared to the previous year.

The sector also ranks as an important pillar of employment in Malta. The industry is a key driver of employment in companies that provide essential services to gaming operators. Based on estimates compiled by the MGA, in 2024 the total employment directly or indirectly tied to the gaming industry in Malta stood at approximately 18,000 individuals, representing 6.2% of the national workforce.

THE REGULATOR – MALTA GAMING AUTHORITY

The Gaming Act (Chapter 583 of the Laws of Malta) established the Malta Gaming Authority ('MGA') as the competent authority responsible for the oversight of the gaming sector in Malta.

MGA licences govern four types of gaming services as detailed hereunder:

- **Type 1:** including games of chance played against the house, where the outcome is determined by a random generator. This usually includes casino type games, such as blackjack, baccarat and roulette, lotteries and poker played against the house (casino).
- **Type 2:** including games of chance played against the house. However, the outcome of the game is not determined by a random generator but is instead determined by the result of a game or competition which is external to the game being played. The operator of the game will manage their risk by managing the odds offered to the player. This encapsulates sports betting and fixed odds betting.
- **Type 3:** including games of chance played not against the house but against other players. The operator is not exposed to gaming risk as it generates revenue by taking a commission or other charges based on the stakes or prize. This includes games such as peer-to-peer

⁴ National statistics as reported in the MGA Annual Report 2024 - <https://www.mga.org.mt/app/uploads/MGA-Annual-Report-2024.pdf>

poker and peer to peer bingo. Betting exchanges and other commission-based games are also included; and

- **Type 4:** including controlled skill games which includes fantasy sports. Gaming revenue can be levied by software vendors taking commission on wagers placed.

GAMING IN MALTA

The gaming sector in Malta is split into four different categories as described below.

A Casino Gaming Premises: any premises accessible to the public, which holds a valid casino concession issued by the Government and a valid casino licence issued by the MGA.

The land-based casino market in Malta is highly competitive. There are three casino concessions and four operative land-based casinos namely:

- o the Dragonara Casino (operated by Dragonara Gaming Limited);
- o the Oracle Casino located at the Dolmen Resort in Qawra (operated by Tumas Group);
- o the Portomaso Casino, St. Julian's (operated by Tumas Group); and
- o Casino Malta located at the Intercontinental Hotel in St. Julian's (operated by Eden Leisure Group).

Management estimates that within the first nine months of CY2025⁵, the Dragonara Casino consolidated its leadership position in the land-based casino market with a market share (in terms of GGR) of circa 43% (CY2024: 40%). The MGA interim casino report issued on 30 September 2025 shows how the casino industry in Malta grew from a total GGR of €56.6 million in CY2023, to €59.4 million in CY2024 and that in the first nine months of CY2025 the industry had already reached the €46.5 million threshold, an increase of 7.4% when compared to the same period last year.

B Controlled Gaming Premises: any premises intended to make available for use, to host or operate one or more gaming devices (up to a maximum of ten devices), but shall not include premises in which gaming is carried out in virtue of a concession by Government. The significance of this category continued to diminish as the downward trend in both the number of operators and value generated from this category continued to fall.

⁵ MGA Statistics Report issued in November 2025 covering period January-September 2025

By the end of CY2024, the number of approved Controlled Gaming Premises in Malta came down to 21 from 29 a year before and the total number of licensed gaming devices continued to decline reaching a total of 162, with each designated shop having an average of 7.7 gaming devices. The value in this category continued its downward spiral as the estimated GGR generated in 2024 came in at approximately €1.96 million. Visits within this category fell sharply to 83,243 from 118,218 in CY2023. The average Gross Revenue per visit also fell from €24.10 in CY2023 to €23.60 in CY2024.

C National Lottery: National Lottery p.l.c. has commenced the operation of the national lottery of Malta on July 5, 2022. Under the stewardship of National Lottery p.l.c. the lottery industry in Malta has experienced a major transformation. National Lottery p.l.c., offers the full suite of Lottery Games, Sports Betting and Electronic Gaming Machines as authorised by the MGA. The National Lottery was established by the Government of Malta in 1923 and was first privatised in 2004. The National Lottery is operated under a concession granted by the Government of Malta for a term of 10 years and provides the concessionaire with the exclusive right to sell all terrestrial Lottery Games as well as Sports Betting and EGMs on a non-exclusive basis through a network of authorised agents and own stores.

Several changes have been undertaken by National Lottery p.l.c. with the aim of growing the market size. This includes product changes such as faster draw intervals in FastKeno, and the introduction of new games such as Super5-4-3-2-1 Plus. National Lottery p.l.c also undertook a complete overhaul of the Super5 game that was launched on 4 July 2025, shortly after the end of FY2025. The market has also witnessed the expansion of the distribution network, taking the total number of National Lottery Outlets (NLOs) from 221 to 238 by the end of CY2024. Moreover, several NLOs underwent a thorough refurbishment programme to bring them in line with the retail brand strategy of the company. National Lottery p.l.c. also introduced the concept of the Secondary Distribution Network, through which retail establishments whose primary activity is other than selling lottery products, are licensed to sell limited range of lottery products. In FY2025, National Lottery p.l.c. had a total of 102 secondary network agents selling Instant Lottery up from 73 secondary network points of sale a year prior.

D iGaming: comprising gaming services which are offered online. As at the end of 2024, the number of gaming companies offering online services through a licence issued by the MGA stood at 304 (CY2023: 305). There are 129 online B2C licensees offering Type 1 games, 94 offering Type 2 games, 42 offering Type 3 games and 8 offering Type 4 games. The Group operates in this market segment through its subsidiary IZI Interactive Limited, providing online casino, online sports and online lottery

via three domains, namely lottery.mt, Dragonara.com and IZIBET.com. This has been an area of growth for the Group, with online casino and sport growing 43% in FY2025 when compared to FY2024, reaching a total GGR of €4.3 million (FY2024: €3 million). This upward trend has been sustained in the first quarter of FY2026 with record revenues of €1.2 million when compared to just under €1 million in the same period a year prior.

GAMING INDUSTRY OUTLOOK

In its 2024 Annual Report, the MGA portrays a very positive outlook for the industry in the years to come. A high percentage of the MGA licensed operators expect gaming revenues to increase in CY2025 and are looking at the future of the gaming industry with optimism. Moreover, the increased population and the strong tourism sector continue to provide the right conditions for the land-based gaming sector to thrive. The growth across all gaming verticals and across different access channels attest to positive outlook of the industry.

INTRODUCTION

The Issuer was incorporated in December 2021 and is today the holding company of the Group. Prior to incorporation, the Group companies (excluding the Issuer) were already in operation.

The following sections provide an overview of the financial information of the Issuer for the financial year ended 30 June 2025 (FY2025), as well as an outlook for financial year ending 30 June 2026 (FY2026).

All amounts in the tables presented in this report are in thousands (€'000), unless otherwise specified, and have been subject to rounding.

7. INCOME STATEMENT

	Actual FY2023 €'000	Actual FY2024 €'000	Actual FY2025 €'000	Forecast FY2026 €'000
Turnover	660,248	796,149	919,989	1,017,125
Player Winnings	(587,067)	(707,724)	(825,462)	(915,944)
Bonus Costs	(3,666)	(1,937)	(815)	(939)
Gross Gaming Revenue	69,515	86,487	93,713	100,242
Other Revenue	572	532	537	728
Total Revenue	70,087	87,020	94,249	100,970
Other income	1,424	791	781	514
Staff costs	(13,995)	(13,766)	(13,817)	(15,101)
Gaming tax	(21,655)	(26,934)	(28,777)	(30,484)
Other operating expenses	(19,981)	(21,336)	(20,927)	(22,102)
Depreciation and amortisation	(16,548)	(18,365)	(19,651)	(20,422)
Operating Profit / (Loss)	(669)	7,409	11,857	13,375
Impairment of goodwill	(756)	-	-	-
Fair value gain on investment property	-	354	-	-
Net Finance costs	(5,003)	(5,166)	(4,714)	(4,438)
Profit / (Loss) before tax	(6,428)	2,597	7,143	8,937
Tax (expense) / credit	1,852	(802)	(2,685)	(3,299)
Profit / (Loss) after tax	(4,575)	1,795	4,459	5,638
Operating Loss / Profit	(669)	7,409	11,857	13,375
Adjust for Depreciation & Amortisation	16,548	18,365	19,651	20,422
Adjust for Lease Payments	(2,090)	(2,579)	(2,602)	(2,574)
EBITDA*	13,789	23,195	28,907	31,223

* Readers are encouraged to refer to Note 6.2 in the financial statements of the Company for the year ended 30 June 2025.

Note:

- During FY2024, the Group implemented a retrospective reclassification, whereby bonus costs are now deducted directly from Gross Gaming Revenue (GGR) rather than being added to GGR and subsequently deducted from Operating Costs.

REVIEW OF FY2025

Following the launch of the National Lottery operation on 5 July 2022, and the successful and timely transition between operators, the Group set forth to grow the National Lottery to unprecedented levels. The Group undertook several strategic initiatives to support the growth in this sector, including the introduction of new products, changes to legacy product features and draw intervals, the recalibration and optimisation of the distribution network, and the introduction of new access channels. All these efforts have been an essential element of growth within the sector.

The Group has completed a strong CAPEX programme across all business verticals with the aim to deliver the most innovative product portfolio and improve service delivery across its distribution network.

The Group is steadfast that its strategic plan is robust as has been evidenced by the record performance in FY2025, with turnover reaching €920 million, up 15.6%, player winnings reaching €825 million, up 16.6%, and Gross Gaming Revenue (GGR) at €93.7 million up 8.4% when compared to FY2024. The topline growth was complemented by a strong focus on improving operating margins. In FY2025, the Group registered EBITDA of €28.9 million, representing a 24% Y-O-Y growth, improving the Net Profit Before Tax from €2.6 million to €7.1 million, equivalent to 175% growth over the prior year.

OUTLOOK FOR FY2026

The investments undertaken by the Group in FY2025 resulted in improved revenue generation capabilities for the Group. While sustaining its efforts to continue increasing revenue thresholds, the Group is also looking at several initiatives to improve operating margins, including undertaking cost sensitivity exercises.

The growth strategy referred to in section 3 of this report is expected to continue to provide ammunition for the Group to grow its footprint globally, with the aim of improving revenue levels and margins, through the leveraging of the expertise and set-up as a lottery and casino concessionaire. While the revenue generation of such opportunities will not materialise within the current forecast period, the Group is laying the groundwork for scalable international business opportunities that could possibly change the fabric of the Group in the future.

In FY2026, total revenue is expected to increase to €101 million. The increase is mostly attributable to improved results across all lottery type games, and the continued strength shown from sports betting. The opening of a new Bingo & HHR facility in Gozo is earmarked for February 2026. The uplift in

revenues of both the iGaming and land-based casino verticals are forecast to continue throughout FY2026, albeit at slower rates of growth.

In FY2026, the Group will yet again sustain sizeable depreciation and amortisation charges, reflecting the bulk of the CAPEX programme that has already been undertaken by the Group. Nevertheless, in FY2026, the Group is expected to register an uplift in both the operating profit to €13.4 million (FY2025: €11.9 million) and its net profit before tax to €8.9 million (FY2025: €7.1 million).

8. VARIANCE ANALYSIS

The table below shows the variance between the budget that the Group had set for FY2025, and the actual results attained during the same period.

	Actual FY2025 €'000	Forecast FY2025 €'000	Variance
Turnover	919,989	918,713	0.1%
Player Winnings	(825,462)	(822,676)	0.3%
Bonus Costs	(815)	(1,012)	-19.5%
Gross Gaming Revenue	93,713	95,025	-1.4%
Other Revenue	537	616	-12.8%
Total Revenue	94,249	95,641	-1.5%
Other income	781	717	9.0%
Staff costs	(13,817)	(13,281)	4.0%
Gaming tax	(28,777)	(29,867)	-3.6%
Other operating expenses	(20,927)	(23,131)	-9.5%
Depreciation and amortisation	(19,651)	(19,886)	-1.2%
Operating Profit	11,857	10,192	16.3%
Net Finance costs	(4,714)	(4,870)	-3.2%
Profit before tax	7,143	5,322	34.2%
Tax expense	(2,685)	(1,920)	39.8%
Profit after tax	4,459	3,402	31.1%
 Operating Profit	 11,857	 10,192	 16.3%
Adjust for Depreciation & Amortisation	19,651	19,886	-1.2%
Adjust for Lease Payments	(2,602)	(2,632)	-1.2%
 EBITDA	 28,907	 27,446	 5.3%

The Group registered a minimal negative variance of 1.5% in total turnover in FY2025, compared to the FAS issued in December 2024. However, it achieved a significant improvement in operational profit

margins, with profit before tax increasing by 34.2% compared to the FAS projections, primarily as a result of improved costs controls adopted during the year.

The Group supported its strategic decision to invest more than originally planned in its own retail network, taking over the operation of more retail stores capable of selling the full portfolio of products of the National Lottery, including Sports Betting and EGMs. The sustained investment to extend and strengthen the retail distribution network resulted in the opening of 14 new own stores, the refurbishment of another 7-owned stores, and the addition of 37 secondary network shops, bringing the total number of secondary shops to 102. This decision, the positive impact of which has been felt in FY2025, has been strategic in the Group's bid to sustain its growth projections going forward.

9. STATEMENT OF FINANCIAL POSITION

	Actual FY2023 €'000	Actual FY2024 €'000	Actual FY2025 €'000	Forecast FY2026 €'000
Assets				
<i>Non-Current Assets</i>				
Goodwill	61,596	61,596	61,596	61,596
Intangible assets	130,181	121,364	109,777	98,019
Property, plant and equipment	21,849	25,775	25,873	23,655
Right of use asset	44,690	43,859	42,632	42,776
Investment properties	1,425	2,034	5,527	5,597
Other non-current assets	2,939	2,880	2,335	1,923
Deferred tax asset	1,385	1,081	376	274
Total non-current assets	264,065	258,588	248,114	233,840
<i>Current Assets</i>				
Inventories	875	831	816	1,111
Trade and other receivables	2,511	2,580	3,343	3,108
Other assets	6	-	-	-
Current tax receivable	3	3	18	-
Cash and cash equivalents	11,569	6,888	7,034	14,640
Total current assets	14,964	10,302	11,210	18,859
Total Assets	279,029	268,890	259,325	252,699
Liabilities				
<i>Non-Current Liabilities</i>				
Bank Borrowings	41,131	33,664	28,196	21,331
Debt securities in issue	29,505	29,591	29,677	29,763
Trade and other payables	57,944	56,603	49,848	39,297
Deferred tax liability	8,321	8,819	10,813	13,960
Leases Liabilities	26,810	26,992	26,577	27,263
Total non-current liabilities	163,711	155,669	145,112	131,614

Current Liabilities				
Bank Borrowings	7,010	7,485	8,218	7,221
Trade and other payables	26,020	21,123	18,744	21,043
Lease liabilities	946	1,475	1,488	1,370
Total current liabilities	33,975	30,082	28,450	29,634
Total Liabilities	197,686	185,751	173,561	161,248
Equity				
Share capital	80,000	80,000	80,000	80,000
Retained earnings / (accumulated losses)	(5,652)	(4,643)	(2,556)	2,027
Equity attributable to the owners of the parent	74,348	75,357	77,444	82,027
Non-controlling interest	6,996	7,782	8,319	9,424
Total Equity	81,344	83,139	85,764	91,451
Total Equity & Total Liabilities	279,029	268,890	259,325	252,699

FY2025 OVERVIEW & OUTLOOK FOR FY2026

ASSETS

As highlighted in section 5 of this report, the major assets of the Group comprise: (1) goodwill generated by the Group over the years; (2) intangible assets consisting of tradenames and domains development through its integrated verticals and highly successful brands as well as control over the two government concessions to manage and operate the National Lottery of Malta (from July 2022) and the Dragonara Casino; (3) control rights over immovable properties (mainly comprising the retail gaming outlets and the Dragonara Casino) used in the operations of the Group (right of use of assets); (4) investment property valued at €5.5 million, comprising of land and property as described in further detail in section 3 under '*Property Management*'; (5) property, plant equipment (PPE) used throughout the Group's day to day operations; and (6) cash balances. In aggregate, these assets represented in excess of 97% of the Group's total assets as of 30 June 2025. Going forward, these asset classes are expected to remain constituting the major assets of the Group.

LIABILITIES

As of 30 June 2025, the Group's main liabilities included borrowings, debt securities (which consisted of the listed bond), trade and other payables, deferred tax liability and leases liabilities accounted for in accordance with IFRS16.

The total liabilities of the Group as of 30 June 2025 stood at €174 million of which €145 million are non-current liabilities. The main element of this class of liability refers to the obligations arising from the National Lottery concession which is payable over the concession term of 10 years.

	Actual FY2023	Actual FY2024	Actual FY2025	Forecast FY2026
	€'000	€'000	€'000	€'000
Current Borrowings	7,010	7,485	8,218	7,221
Non-Current Borrowings	70,636	63,255	57,873	51,094
Total Borrowings	77,645	70,739	66,090	58,315
 Cash	 11,569	 6,888	 7,034	 14,640
Net Borrowings	66,077	63,851	59,057	43,675
 <i>Including leases</i>				
Current Borrowings	7,955	8,959	9,705	8,591
Non-Current Borrowings	97,445	90,247	84,450	78,357
Total Borrowings	105,401	99,206	94,155	86,948
 Cash	 11,569	 6,888	 7,034	 14,640
Net Borrowings	93,832	92,318	87,122	72,308

As of 30 June 2025, the Group's total net borrowings stood at €59 million (€94 million when considering lease liabilities), consisting of the amortised value of the €30 million bond, bank borrowings related to the National Lottery concession and other borrowings drawn down to finance working capital requirements totalling €17.2 million, net of €7.1 million of cash and equivalents. Lease liabilities relating to the properties over which the Group holds a right of use, namely the retail gaming outlets and the Dragonara Casino accounted for in accordance with IFRS 16 – Leases, amounted to €28.1 million by the end of FY2025.

As of 30 June 2025, the Group's deferred tax liability stood at €10.8 million which mainly reflects the uplift in value recognised on the Dragonara immovable property in accordance with IAS 12 - Income Tax.

No major change in the composition of the Group's main liabilities is expected during FY2026, save for the reduction in the trade payables relating, in the main, to the concession payments of the National Lottery as well as a €7.8 million reduction in borrowings as the Group continues to repay part of its bank debt obligations.

EQUITY BASE

The Group's equity stood at €85.8 million at the end of FY2025, consisting primarily of €80 million in share capital, non-controlling interest, and net of the negative retained earnings.

No change to the equity composition is anticipated in FY2026, save for the effect of the Group's performance on its retained earnings, which is expected to reach €91.5 million by the end of June 2026.

10. STATEMENTS OF CASH FLOW

	Actual FY2023 €'000	Actual FY2024 €'000	Actual FY2025 €'000	Forecast FY2026 €'000
Total cash flows generated from operating activities	17,185	23,450	28,370	33,732
Net cash used in investing activities	(55,704)	(13,617)	(16,292)	(12,808)
Free Cash Flows	(38,518)	9,833	12,078	20,924
Net cash generated from / (used in) financing activities	31,218	(14,514)	(11,932)	(13,318)
Net movement in cash and cash equivalents	(7,300)	(4,681)	146	7,606
Cash and cash equivalents at the beginning of the year	18,869	11,569	6,888	7,034
Cash and cash equivalents at the end of the year	11,569	6,888	7,034	14,640

REVIEW OF FY2025 AND OUTLOOK FOR FY2026

The cash generation capabilities of the Group have improved considerably due to the operations of the National Lottery and the sustained growth in all the other business verticals within the Group.

In FY2025, the Group strategically sustained its capital expenditure with the aim of increasing revenues in the short-term while laying the groundwork for longer-term sustainable growth. The investment programme of €6.2 million aimed at increasing markedly the revenue generation capabilities of the Group included, amongst others, a ramp up in the allocation of resources for its own retail distribution network. The cash flows related to financing activities for FY2025 included the effect of the drawdown of a bank loan at the level of National Lottery p.l.c., which resulted in a net cash inflow of €2.7 million for FY2025, and repayments of bank borrowings amounting to €7.5 million.

The cash flows from operations for FY2026 are expected to reach approximately €33.7 million, reflecting the improved operations levels of the Group.

Given that the bulk of the capital expenditure (CAPEX) was incurred in previous years, cash outflows towards investing activities for FY2026 are projected to decrease compared to FY2025, to €12.8 million. Out of this amount, €7.8 million relates to concession payments due from both National Lottery p.l.c. and Dragonara Gaming Limited.

Cash outflows used in financing activities, mainly comprising lease payments, loan repayments, and interest, are expected to amount to €13.3 million. Consequently, the Group is forecasting a positive cash balance of €14.6 million by the end of FY2026.

11. RATIO ANALYSIS

The following set of ratios have been computed from the Company's figures, both historical and projections.

Note: where the ratios were non-comparable because of a negative return or a negative result, the ratio has been recorded as 'n/a'.

	Actual FY2023	Actual FY2024	Actual FY2025	Forecast FY2026
EBITDA margin (EBITDA / Revenue)	19.7%	26.7%	30.7%	30.9%
Operating Profit margin (Operating Profit / Revenue)	N/A	8.5%	12.6%	13.2%
Net Profit margin (Profit for the period / Revenue)	N/A	2.1%	4.7%	5.6%
Return on Equity (Net Profit / Average Equity)	N/A	2.1%	5.3%	6.4%
Return on Capital Employed (Net Profit / Average Capital Employed)	N/A	0.8%	1.9%	2.5%

Return on Assets <i>(Profit for the period / Average Assets)</i>	N/A	0.6%	1.7%	2.2%
Current Ratio <i>(Current Assets / Current Liabilities)</i>	0.4x	0.3x	0.4x	0.6x
Cash Ratio <i>(Cash & cash equivalents / Current Liabilities)</i>	0.3x	0.2x	0.2x	0.5x
Interest Coverage ratio <i>(EBITDA / Net finance costs)</i>	2.8x	4.5x	6.1x	7.0x
Gearing Ratio <i>(Net debt / [Net Debt + Total Equity])</i>	44.8%	43.4%	40.8%	32.3%
Gearing Ratio (2) <i>[Total debt / (Total Debt plus Total Equity)]</i>	48.8%	46.0%	43.5%	38.9%
Net Debt to EBIDTA <i>(Net Debt / EBIDTA)</i>	6.8x	4.0x	3.0x	2.3x
<u>Including leases</u>				
Gearing Ratio <i>(Net debt / [Net Debt + Total Equity])</i>	53.6%	52.6%	50.4%	44.2%
Gearing Ratio (2) <i>[Total debt / (Total Debt plus Total Equity)]</i>	56.4%	54.4%	52.3%	48.7%

Source: Management information

The profitability ratios of the Group continued to be positive in FY2025, reflective of the improved performance during the year. These ratios are expected to continue to improve further in FY2026, as the Group's profitability is also anticipated to grow on the back of continued cost containment and new verticals as explained earlier in this report.

The Group's current ratio improved in FY2025, primarily reflecting the increase in cash generated from operations, alongside cash utilisation for additional investments made during the year. This ratio and the cash ratio are expected to improve further in FY2026.

Meanwhile, the interest coverage ratio improved year-on-year, driven by a higher EBITDA, and is expected to strengthen further in FY2026.

Gearing ratios (excluding lease liabilities) remained below the 50% level reflecting the Group's appropriate capital levels. When including lease liabilities, the Group's gearing ratios show a higher level of leverage which is, however, still at an acceptable level at below 60%. In FY2026, leverage is expected to decline further as the Group continues to reduce debt and service annual concession payments in a timely manner.

PART C COMPARATIVES

The table below compares the Company's bonds with other local corporate bonds having maturities closest to the Company's bonds. The list excludes issues by financial institutions. The comparative set includes local groups whose assets, strategy and level of operations vary significantly from those of the Company and are therefore not directly comparable. Nevertheless, the table below provides a sample of some comparatives:

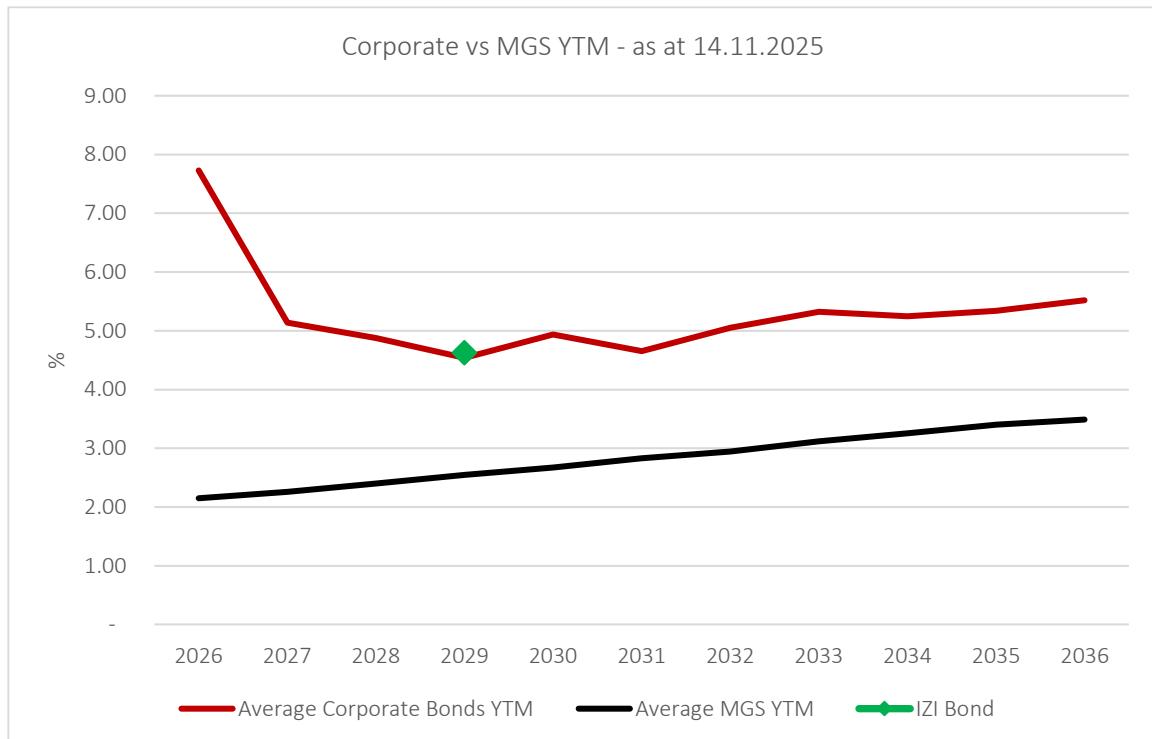
Bond	Amount Outstanding (€)	Gearing*	Net Debt to EBITDA	Interest Cover**	YTM
3.65% Stivala Group Finance plc 2029 (Secured)	15,000,000	22.0%	5.8x	4.0x	3.68%
3.80% HILI Finance Company plc 2029	80,000,000	60.1%	3.1x	6.1x	5.14%
3.75% AX Group plc 2029	10,000,000	41.6%	8.2x	2.8x	4.02%
3.75% TUM Finance plc 2029 (Secured) (Puttable)	20,000,000	66.1%	76.2x	1.2x	3.84%
4.00% Cahlenet Communication Systems plc 2030	40,000,000	99.2%	2.3x	6.0x	4.48%
4.25% IZI Finance plc 2029	30,000,000	40.8%	3.0x	8.7x	4.63%

Source: Yield to Maturity from rizzofarrugia.com, based on bond prices of 14 November 2025. Ratio workings and financial information quoted have been based on the respective issuers' unadjusted published financial data (or their guarantors, where and as applicable).

**Gearing – Net Debt / (Net Debt + Total Equity) where net debt comprises bank borrowings and debt securities in issue but exclude lease liabilities.*

***Interest cover is calculated as EBITDA / net finance cost excluding interest expense on lease liabilities. Including the interest expense on lease liabilities, this would work out to 6.1x.*

The following shows the average yield to maturity of listed corporate bonds and MGS covering a ten-year period, and how the Company's bond priced at 4.25% compares to such average yields. All the yields presented hereunder are as of 14 November 2025.



At a coupon of 4.25% per annum and the bonds trading at below par, the Company's bonds are yielding 9 basis points above the equivalent average corporate bonds YTM for 2029 maturities and at a 208-basis point premium over the average MGS YTM for 2029 maturities.

PART D

GLOSSARY

INCOME STATEMENT EXPLANATORY DEFINITIONS

Revenue	Revenue generated by the company from its business activity during the financial year.
EBITDA	Earnings before interest, tax, depreciation, and amortization, reflecting the company's earnings purely from operations.
EBIT	Earnings before interest and tax.
Depreciation and Amortisation	An accounting charge to compensate for the reduction in the value of assets and the eventual cost to replace the asset when fully depreciated.
Finance Income	Interest earned on cash bank balances and from the intra-group companies on loans advanced.
Finance Costs	Interest accrued on debt obligations.
Net Profit	The profit generated in one financial year.

CASH FLOW STATEMENT EXPLANATORY DEFINITIONS

Cash Flow from Operating Activities	The cash used or generated from the company's business activities.
Cash Flow from Investing Activities	The cash used or generated from the company's investments in new entities and acquisitions, or from the disposal of fixed assets.
Cash Flow from Financing Activities	The cash used or generated from financing activities including new borrowings, interest payments, repayment of borrowings and dividend payments.
Free Cash Flow (FCF)	FCF represents the amount of cash remaining from operations after deducting capital expenditure requirements.

STATEMENT OF FINANCIAL POSITION EXPLANATORY DEFINITIONS

Assets	What the company owns which can be further classified in Current and Non-Current Assets.
Non-Current Assets	Assets, full value of which will not be realised within the forthcoming accounting year.
Current Assets	Assets which are realisable within one year from the statement of financial position date.
Liabilities	What the company owes, which can be further classified in Current and Non-Current Liabilities.
Current Liabilities	Obligations which are due within one financial year.
Non-Current Liabilities	Obligations which are due after more than one financial year.

Equity Equity is calculated as assets less liabilities, representing the capital owned by the shareholders, retained earnings, and any reserves.

PROFITABILITY RATIOS

EBITDA Margin	EBITDA as a percentage of total revenue.
Operating Profit Margin	Operating profit margin is operating profit achieved during the financial year expressed as a percentage of total revenue.
Net Profit Margin	Net profit margin is profit after tax achieved during the financial year expressed as a percentage of total revenue.
Return on Equity	Return on equity (ROE) measures the rate of return on the shareholders' equity of the owners of issued share capital, computed by dividing profit after tax by shareholders' equity.
Return on Capital Employed	Return on capital employed (ROCE) indicates the efficiency and profitability of a company's capital investments, estimated by dividing operating profit by capital employed.
Return on Assets	This is computed by dividing profit after tax by total assets.

LIQUIDITY RATIOS

Current Ratio	The current ratio is a financial ratio that measures whether a company has enough resources to pay its debts over the next 12 months. It compares a company's current assets to its current liabilities.
Cash Ratio	Cash ratio is the ratio of cash and cash equivalents of a company to its current liabilities. It measures the ability of a business to repay its current liabilities by only using its cash and cash equivalents and nothing else.

SOLVENCY RATIOS

Interest Coverage Ratio	This is calculated by dividing a company's EBITDA of one period by the company's net finance costs of the same period.
Gearing Ratio	The gearing ratio indicates the relative proportion of shareholders' equity and debt used to finance a company's assets, and is calculated by dividing a company's net debt by net debt plus shareholders' equity.
Net Debt to EBITDA	This is the measurement of leverage calculated by dividing a company's interest-bearing borrowings net of any cash or cash equivalents by its EBITDA.

