

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

26 February 2026

Dear Sirs,

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

In accordance with your instructions and in line with the requirements of the Listing Policies, we have compiled the enclosed Financial Analysis Summary. The FAS is being appended to the prospectus issued by the Company (as defined below), dated 26 February 2026.

The purpose of the 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 years ending 30 June 2026 and 2027 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 FAS aims to assist potential investors by summarising the more important financial data of the Issuer. It 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 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 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  
2026



*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.*

26 February 2026



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## IMPORTANT INFORMATION

### PURPOSE OF THE DOCUMENT

IZI Finance p.l.c. (the “Company”, “Issuer” or “Group”) is issuing €30 million 5.5% unsecured bonds maturing in 2036 (the “Bond Issue”) pursuant to a prospectus dated 26 February 2026 (the “Prospectus”). It also has in issue €30 million 4.25% unsecured bonds maturing in 2029, pursuant to a prospectus dated 22 March 2022 (the “2022 Bonds”). The Bond Issue and the 2022 Bonds shall collectively be referred to as the “Bonds”. This 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, forecasts for financial years ending 30 June 2026 and 2027, 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

FAS dated 26 November 2025

## 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 since 2004.

The Group is a key player in the land-based gaming sector in Malta, operating two major gaming concessions, namely the National Lottery and the Dragonara Casino.

## 2. GROUP STRUCTURE

The Group is made up of a number of companies, as shown in the chart below.

National Lottery plc has been operating the National Lottery concession for just over three (3) years. The company operates all terrestrial lotteries, including Video Lottery Terminals (VLTs<sup>1</sup>) and Historical Horse Racing (HHR)<sup>2</sup> on an exclusive basis. Dragonara Gaming Limited (which is a subsidiary of Peninsula Gaming Group 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, [www.dragonara.com](http://www.dragonara.com), [www.izibet.com](http://www.izibet.com) and [www.lottery.mt](http://www.lottery.mt). Soon the company will be launching the fourth domain that will offer online bingo and casino – [www.izibingo.mt](http://www.izibingo.mt).

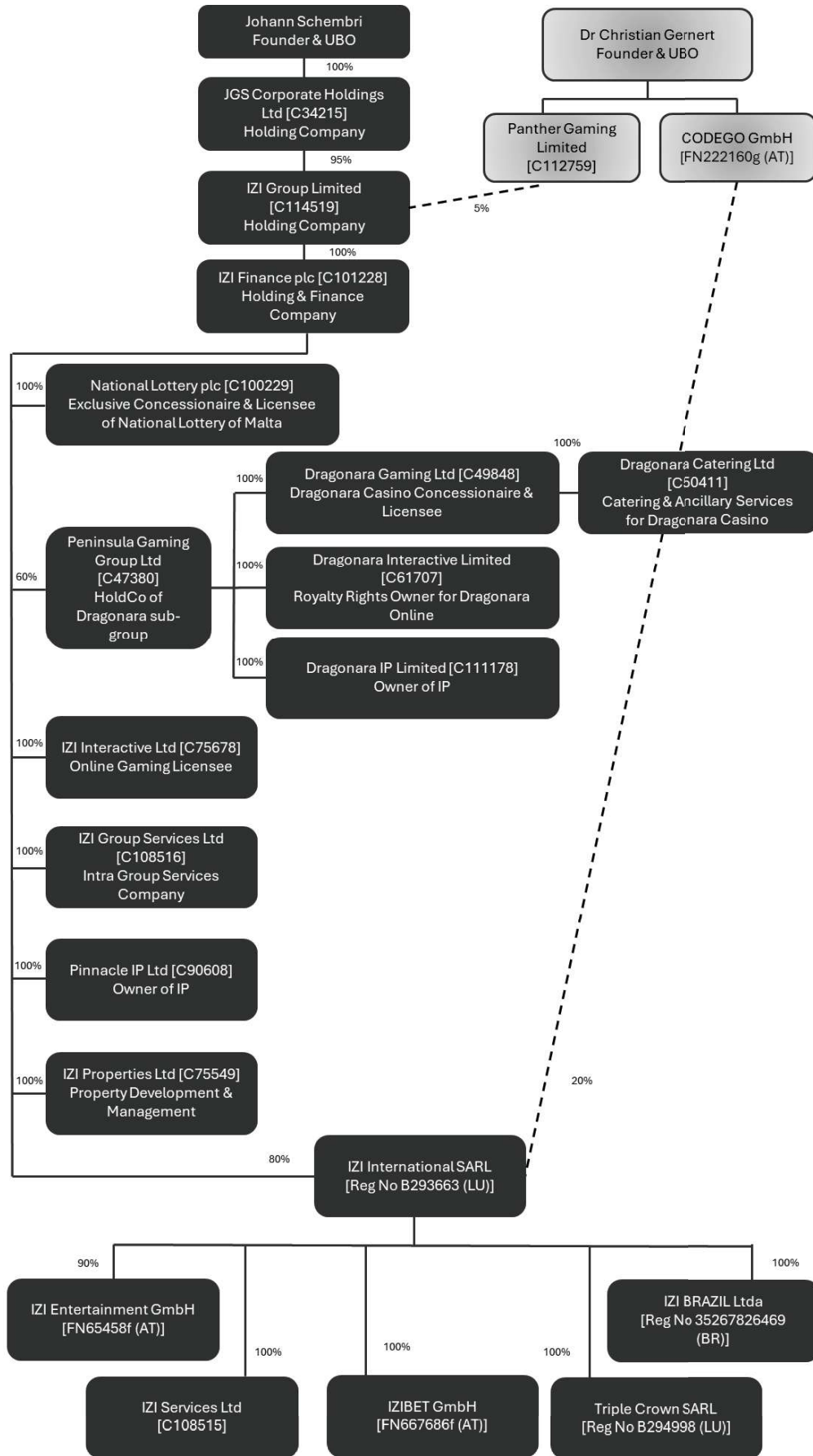
IZI Properties Limited holds, develops and administers the immovable property of the Group, which is held for long-term appreciation purposes. Pinnacle IP Limited holds, administers and manages the intellectual property of the Group, primarily ‘IZIBET’ and ‘National Lottery’, while IZI International S.a.r.l. is a recently established holding company in Luxembourg that is intended to serve as the holding company of the Group’s international operations, with subsidiaries in Austria and Brazil. Other subsidiaries, namely IZI Group Services Limited provide additional services to the Group, such as HR, IT and maintenance, on a services-agreement basis.

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<sup>1</sup> A video lottery terminal (VLT) is a video gaming device offering lottery type games through a video interface, the outcome of which is centrally determined by a random number generator installed in a central system outside the gaming device itself.

<sup>2</sup> 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.

The companies forming part of the Group are as follows:



### 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 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 VLTs, HHR, Virtuals 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 EGMs.

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)<sup>3</sup> with the last fiscal year of National Lottery p.l.c. (July 2024 – June 2025)<sup>4</sup>.

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 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

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<sup>3</sup> Audited Financial Statements of Maltco Lotteries Limited (FY2021)

<sup>4</sup> Audited Financial Statements of National Lottery p.l.c. (FY2025)

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 19<sup>th</sup> 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 31 July 2031 (extendable to 2033 in line with the concession to operate the Dragonara Casino).

The Dragonara Casino offers a strong product portfolio featuring 274 slots and 20 live gaming tables, including a live dual-play roulette available online. 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 a 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.

ILL operates and manages three domains<sup>5</sup>: [www.izibet.com](http://www.izibet.com) (offering online sports and casino), [www.dragonara.com](http://www.dragonara.com) (offering online casino) and [www.lottery.mt](http://www.lottery.mt) (offering online lottery and casino). ILL utilises its Type 1 gaming licence to provide online lottery services for National Lottery p.l.c.

ILL 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 agreement for a period of 30 years in respect of a property in St. Julian's. Construction commenced in 2020 and has now been completed, with the property fully finalised and is expected to be leased out to third parties during the current financial year ending 30 June 2026. Furthermore, 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

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<sup>5</sup> A fourth domain – [www.izsibingo.mt](http://www.izsibingo.mt) is expected to be added to the domains that are operated and managed by ILL.

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 AND INTERNATIONAL OPPORTUNITIES

The Group has been actively preparing for international expansion, through leveraging of established relationships, operational set-up and expertise, particularly 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.

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.

#### LICENCES HELD BY THE GROUP

The Group holds the following licences issued by the Malta Gaming Authority:

- MGA/B2C/003/2022 - Gaming service licence granted to National Lottery plc to operate Type 1 (lotteries and Casino type games), Type 2 (fixed odd betting), and Type 3 (pool betting) games, until 4 July 2032;
- MGA/B2C/181/2010 - Gaming service licence granted to DGL to operate Type 1 (casino games), Type 2 (fixed-odds betting), and Type 3 (peer-to-peer bingo or games) games, which is valid until 31 July 2031 (extendable until 2033);

- MGA/B2C/345/2016 - Gaming service licence granted to ILL to operate Type 1 (casino type games) and Type 2 (fixed-odds betting) games, until 11 May 2027 (renewable upon request);
- MGA/B2B/1054/2024 - Gaming service licence granted to IZI Services Limited to operate a B2B licence which is valid until 24 June 2034; and
- MGA/GP/153/2019 - DGL is also authorised to operate the Dragonara Casino as a gaming premises in virtue of a Gaming Premises Approval Certificate granted by the MGA in terms of the Gaming Premises Regulations (Subsidiary Legislation 583.07 of the Laws of Malta). The approval is effective as of 1 August 2021 and expires on 31 July 2031.

#### 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          |
| Gabriel Sultana    | Chief Digital and Technology 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 - Legal, Compliance, Risk & AML |
| Cristian Rachieru    | Group Head of Digital & Brands             |
| Mark Geoffrey Muscat | Group Architect                            |
| Erika Cavalotti      | Group AML Officer                          |
| Veronika Krulova     | Group Administration & Controlling Manager |
| Clint Meylaq         | Group Head of Procurement                  |
| Daniel Camilleri     | Group Head Engineer                        |

## 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-empyteusis held over the property comprising the Dragonara Casino, as well as leased gaming premises used in the National Lottery operations, office space, warehouses, motor vehicles, and other properties leased by the Group; 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                    | 61,596         | 61,596         | 61,596         |
| Intangible Assets           | 109,777        | 121,364        | 130,181        |
| Property, Plant & Equipment | 25,873         | 25,775         | 21,849         |
| Investment Property         | 5,527          | 2,034          | 1,425          |
| Right of use of Asset       | 42,632         | 43,859         | 44,690         |
| Cash and cash equivalents   | 7,034          | 6,888          | 11,569         |
|                             | <b>252,438</b> | <b>261,515</b> | <b>271,310</b> |

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 OVERVIEW<sup>6</sup>

### 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.

<sup>6</sup> National statistics as reported in the MGA Annual Report 2024 - <https://www.mga.org.mt/app/uploads/MGA-Annual-Report-2024.pdf>

## 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 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 11 months of CY2025<sup>7</sup>, the Dragonara Casino consolidated its leadership position in the land-based casino market with a market share (in terms of GGR) of circa 41% (CY2024: 40%). The MGA interim casino report issued in December 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 11 months of CY2025 the industry had already reached the €59.8 million threshold, an increase of 9% 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 10 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.

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

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<sup>7</sup> MGA Statistics Report issued in November 2025 covering period January-November 2025

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 relaunched 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 Scratch Cards 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.

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.

#### GAMING IN EUROPE

The European Gambling & Betting Association (EGBA) defines the land-based gaming market slightly differently to how the MGA defines the market in Malta. The land-based gaming market in Europe, as per the EGBA categorisation, is split into three broad categories:

- Betting: comprising horse racing and sports events;

- Lottery: comprising draw-based games and instant scratch cards; and
- Other: comprising casinos, gaming machines outside of casinos and bingo.

The European gambling market maintained its upward trajectory, with total GGR reaching €117.4 billion in 2023, and expected to grow by 5% in 2024 to reach €123.4 billion in 2024. Land-based gaming remains the dominant market segment, with GGR from this segment reaching €75.5 billion, equal to 61% of the total market value. Looking ahead, Europe's gambling market is projected to maintain steady growth, estimated to reach €149.2 billion by 2029, driven predominantly by continued digital adoption and the full recovery of the land-based gaming segment, which in many EU countries is yet to reach the pre-COVID thresholds. The growth trajectory assumes a stable economic and regulatory environment while factoring in potential downturns that are likely to hit core markets over the next 10 years. Over the shorter 5-year horizon, the European land-based gaming market is estimated to grow by 1.8%<sup>8</sup>, while the European online gambling market is expected to grow by 6.9%<sup>9</sup> throughout the same period.

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<sup>8</sup> *European Gaming and Betting Association Report prepared by H2 Gambling Capital*  
(<https://www.egba.eu/uploads/2025/04/250325-EGBA-European-Gambling-Market-Key-Figures-2025-Edition.pdf>)

<sup>9</sup> *European Gaming and Betting Association Report prepared by H2 Gambling Capital*  
(<https://www.egba.eu/uploads/2025/04/250325-EGBA-European-Gambling-Market-Key-Figures-2025-Edition.pdf>)

## PART B FINANCIAL ANALYSIS

### INTRODUCTION

The Issuer was incorporated in December 2021 and is today the holding company of the Group.

The following sections provide an overview of the financial information of the Issuer for the three financial years ended 30 June 2025 (FY2023, FY2024 and FY2025), as well as an outlook for financial years ending 30 June 2026 (FY2026) and 30 June 2027 (FY2027).

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

|   | <i>Actual</i><br><b>FY2023</b> | <i>Actual</i><br><b>FY2024</b> | <i>Actual</i><br><b>FY2025</b> | <i>Forecast</i><br><b>FY2026</b> | <i>Projections</i><br><b>FY2027</b> |
|---|--------------------------------|--------------------------------|--------------------------------|----------------------------------|-------------------------------------|
|   | €'000                          | €'000                          | €'000                          | €'000                            | €'000                               |
| Turnover                                | 660,248                        | 796,149                        | 919,989                        | 1,017,125                        | 1,062,789                           |
| Player Winnings                         | (590,733)                      | (709,661)                      | (826,276)                      | (916,882)                        | (958,335)                           |
| <b>Gross Gaming Revenue</b>             | <b>69,515</b>                  | <b>86,487</b>                  | <b>93,713</b>                  | <b>100,243</b>                   | <b>104,454</b>                      |
| Other Revenue                           | 572                            | 532                            | 537                            | 728                              | 900                                 |
| <b>Total Revenue</b>                    | <b>70,087</b>                  | <b>87,020</b>                  | <b>94,250</b>                  | <b>100,971</b>                   | <b>105,354</b>                      |
| Other income                            | 1,424                          | 791                            | 781                            | 514                              | 507                                 |
| Staff costs                             | (13,995)                       | (13,766)                       | (13,817)                       | (15,101)                         | (16,222)                            |
| Gaming tax                              | (21,655)                       | (26,934)                       | (28,777)                       | (30,484)                         | (31,741)                            |
| Other operating expenses                | (19,981)                       | (21,336)                       | (20,927)                       | (22,103)                         | (24,636)                            |
| Depreciation and amortisation           | (16,548)                       | (18,365)                       | (19,651)                       | (20,422)                         | (21,546)                            |
| <b>Operating Profit / (Loss)</b>        | <b>(669)</b>                   | <b>7,409</b>                   | <b>11,857</b>                  | <b>13,375</b>                    | <b>11,716</b>                       |
| Impairment of goodwill                  | (756)                          | -                              | -                              | -                                | -                                   |
| Fair value gain on investment property  | -                              | 354                            | -                              | -                                | -                                   |
| Net Finance costs                       | (5,003)                        | (5,166)                        | (4,714)                        | (4,897)                          | (5,618)                             |
| <b>Profit / (Loss) before tax</b>       | <b>(6,428)</b>                 | <b>2,598</b>                   | <b>7,143</b>                   | <b>8,478</b>                     | <b>6,098</b>                        |
| Tax (expense) / credit                  | 1,852                          | (802)                          | (2,685)                        | (3,308)                          | (3,589)                             |
| <b>Profit / (Loss) after tax</b>        | <b>(4,576)</b>                 | <b>1,796</b>                   | <b>4,459</b>                   | <b>5,170</b>                     | <b>2,509</b>                        |
| <i>Attributable to:</i>                 |                                |                                |                                |                                  |                                     |
| <i>Owners of the parent</i>             | <i>(5,362)</i>                 | <i>1,009</i>                   | <i>3,171</i>                   | <i>4,212</i>                     | <i>2,135</i>                        |
| <i>Non-controlling interest</i>         | <i>787</i>                     | <i>787</i>                     | <i>1,287</i>                   | <i>957</i>                       | <i>374</i>                          |
| <b>Operating Profit / (Loss)</b>        | <b>(669)</b>                   | <b>7,409</b>                   | <b>11,857</b>                  | <b>13,375</b>                    | <b>11,716</b>                       |
| -Adjust for Depreciation & Amortisation | 16,548                         | 18,365                         | 19,651                         | 20,422                           | 21,546                              |
| -Adjust for Lease Payments              | (2,090)                        | (2,580)                        | (2,602)                        | (2,574)                          | (2,728)                             |
| <b>EBITDA*</b>                          | <b>13,789</b>                  | <b>23,195</b>                  | <b>28,907</b>                  | <b>31,223</b>                    | <b>30,534</b>                       |

\* Readers are encouraged to refer to Note 6.2 in the financial statements of the Company for the year ended 30 June 2025<sup>10</sup>.

### 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.

<sup>10</sup> <https://izigroup.com/wp-content/uploads/2026/01/izi-finance-plc-esef-pdf-2025.pdf>

## HISTORIC FINANCIAL REVIEW – FY2023 TO FY2025

Following the launch of the National Lottery on 5 July 2022 and the successful transition between operators, the Group executed a series of targeted initiatives to scale the Lottery business. These included the rollout of new products, optimisation of legacy product features and draw structures, recalibration of the distribution network, and the introduction of additional access channels. Together, these actions materially expanded the addressable market and drove sustained growth across the sector.

The Group also completed a substantial CAPEX programme across all business verticals, focused on product innovation and improved service delivery throughout the distribution network. This investment has strengthened the platform's long-term competitiveness while supporting near-term revenue growth.

As a result, the Group delivered strong topline and earnings growth. Turnover increased from €660 million in FY2023 to approximately €920 million in FY2025, with revenue rising from €70.1 million to €94.2 million over the same period. In FY2025, player winnings reached €826 million, up 16.6% year-on-year, while Gross Gaming Revenue increased to €93.7 million, representing an 8.4% increase compared to FY2024.

Profitability improved materially alongside this growth. EBITDA reached €28.9 million in FY2025, representing 24% year-on-year growth, while Net Profit Before Tax increased from €2.6 million to €7.1 million, a 175% improvement versus the prior year. Operating profit margins expanded from -1.0% in FY2023 to 8.5% in FY2024 and further to 12.6% in FY2025, reflecting improved operating leverage, disciplined cost control, and the benefits of the Group-wide cost rationalisation programme.

The record performance in FY2025 provides clear evidence that the Group's strategic plan is translating into scalable growth, margin expansion, and improved earnings quality.

## OUTLOOK FOR FY2026 & FY2027

The performance for the Group for FY2026 and FY2027 has been split in two – (i) the analysis for FY2026, which is largely aligned with the analysis published in the FAS dated 26 November 2025 (save as explained in further detail below); and (ii) the analysis for FY2027, which incorporates the Group's internationalisation strategy. Further below, FY2027 is split to show the continuation of the Group's operations from its Malta-based business, comparable to the years that have been presented to date, as well as another column that highlights how the performance of the Group will be effected by the internationalisation strategy, including the respective narrative.

## FY2026 & VARIANCE ANALYSIS

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 Group opened a new Bingo & HHR facility in Gozo on 5 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. 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 €8.5 million (FY2025: €7.1 million).

In the update FAS that the Company published on 26 November 2025, the Group reported an income statement forecast for FY2026, which is not materially different from the one presented above, save for the increase in the finance costs, reflecting the additional borrowing costs associated with the new bond issue. Finance costs which were reported at €4.4 million in the update FAS, are now anticipated to increase to €4.9 million, reflecting an uplift of 10.3%, thereby resulting in a net profit before tax of €8.5 million (from €8.9 million as previously reported).

## OUTLOOK FOR FY2027

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 internationally, with the aim of improving revenue levels and margins, through the leveraging of the expertise and set-up as a lottery and casino concessionaire.

The main impact of the efforts related to the Group's internationalisation strategy is noticed on the expenditure side, as the Group lays the groundwork for scalable international business opportunities that ought to change the fabric of the Group in the future. FY2027 is expected to be a foundational year, during which the groundwork necessary for successful international operations is established, with the benefits of these investments anticipated to materialise in the years that follow.

Total revenue for FY2027 is primarily reflective of the turnover generated from the Malta operations, which is expected increase further to €104 million, reflecting continued growth in the local market across all three revenue-generating units of the Group, namely National Lottery plc, Dragonara Gaming Limited, and IZI Interactive Limited.

The cost base in Malta is expected to remain largely comparable to the previous financial period. However, as FY2027 marks the year in which the Group begins implementing its internationalisation strategy, operating expenses for the international segment are expected to increase, primarily due to investments required to establish operations in the selected jurisdictions. Staff costs in this respect are expected to rise as the Group builds the necessary team in advance, so that by CY2028 — when foreign operations are anticipated to ramp up and generate sustained revenues — the required personnel will already be in place.

The CAPEX programme undertaken by the Group in earlier periods, as well as that related to the internationalisation efforts, is anticipated to result in increased depreciation charges in FY2027.

The operating profit that the Group expects to generate in FY2027 from the Malta operations is reflective of the additional growth being anticipated in the existing markets, growing from €13.4 million reported for FY2026 to €14.1 million in FY2027. On a consolidated basis, taking into account the operational expenses related to the foreign operations, this will be lower at €11.7 million, reflective of the €2.4 million operating loss related to the international operations.

The new bond issued during FY2026 will result in increased finance costs for the Group, which will be related primarily to the internationalisation expansion plans of the Group.

The improved performance of the Malta operations is expected to leave a positive impact on the profitability of this segment for FY2027, as profit before tax is anticipated to exceed the €10 million mark (FY2026: €8.5 million). nevertheless, consolidating the impact of the operational expenses for the foreign operations undertaken during the year, the reported profit before tax is expected to be just over €6 million.

This position is expected to improve in FY2028, when operations in the foreign jurisdictions start contributing meaningful gross gaming revenues to the Group.

|  | <i>Forecast</i> |                           |                                   | <i>Projections</i>               |
|--|-----------------|---------------------------|-----------------------------------|----------------------------------|
|  | <b>FY2026</b>   | <b>FY2027 -<br/>Malta</b> | <b>FY2027 -<br/>International</b> | <b>FY2027 -<br/>Consolidated</b> |
|  | <i>€'000</i>    | <i>€'000</i>              | <i>€'000</i>                      | <i>€'000</i>                     |
| Turnover                               | 1,017,125       | 1,050,789                 | 12,000                            | 1,062,789                        |
| Player Winnings                        | (916,882)       | (946,918)                 | (11,418)                          | (958,335)                        |
| <b>Gross Gaming Revenue</b>            | <b>100,243</b>  | <b>103,871</b>            | <b>583</b>                        | <b>104,454</b>                   |
| Other Revenue                          | 728             | 900                       | -                                 | 900                              |
| <b>Total Revenue</b>                   | <b>100,971</b>  | <b>104,771</b>            | <b>583</b>                        | <b>105,354</b>                   |
| Other income                           | 514             | 506                       | 1                                 | 507                              |
| Staff costs                            | (15,101)        | (15,512)                  | (710)                             | (16,222)                         |
| Gaming tax                             | (30,484)        | (31,541)                  | (200)                             | (31,741)                         |
| Other operating expenses               | (22,103)        | (22,803)                  | (1,833)                           | (24,636)                         |
| Depreciation and amortisation          | (20,422)        | (21,298)                  | (248)                             | (21,546)                         |
| <b>Operating Profit</b>                | <b>13,375</b>   | <b>14,124</b>             | <b>(2,408)</b>                    | <b>11,717</b>                    |
| Net Finance costs                      | (4,897)         | (4,065)                   | (1,553)                           | (5,618)                          |
| <b>Profit / (Loss) before tax</b>      | <b>8,478</b>    | <b>10,060</b>             | <b>(3,961)</b>                    | <b>6,099</b>                     |
| Tax (expense) / credit                 | (3,308)         | (3,588)                   | (2)                               | (3,589)                          |
| <b>Profit / (Loss) after tax</b>       | <b>5,170</b>    | <b>6,472</b>              | <b>(3,963)</b>                    | <b>2,510</b>                     |
| <b>Operating Loss / Profit</b>         | <b>13,375</b>   | <b>14,124</b>             | <b>(2,408)</b>                    | <b>11,717</b>                    |
| Adjust for Depreciation & Amortisation | 20,422          | 21,298                    | 248                               | 21,546                           |
| Adjust for Lease Payments              | (2,574)         | (2,548)                   | (180)                             | (2,728)                          |
| <b>EBITDA*</b>                         | <b>31,223</b>   | <b>32,874</b>             | <b>(2,340)</b>                    | <b>30,534</b>                    |

## 8. STATEMENT OF FINANCIAL POSITION

|  | <i>Actual</i><br><b>FY2023</b><br>€'000 | <i>Actual</i><br><b>FY2024</b><br>€'000 | <i>Actual</i><br><b>FY2025</b><br>€'000 | <i>Forecast</i><br><b>FY2026</b><br>€'000 | <i>Projections</i><br><b>FY2027</b><br>€'000 |
|--|---|---|---|---|--|
| <b>Assets</b>  |   |   |   |   |  |
| <b>Non-Current Assets</b>                                  |   |   |   |   |  |
| Goodwill   | 61,596                                  | 61,596                                  | 61,596                                  | 61,596                                    | 61,596                                       |
| Intangible assets  | 130,181                                 | 121,364                                 | 109,777                                 | 98,019                                    | 86,120                                       |
| Property, plant and equipment                              | 21,849                                  | 25,775                                  | 25,873                                  | 23,655                                    | 23,113                                       |
| Right of use asset   | 44,690                                  | 43,859                                  | 42,632                                  | 42,776                                    | 44,890                                       |
| Investment properties                                      | 1,425                                   | 2,034                                   | 5,527                                   | 5,597                                     | 5,597  |
| Other non-current assets                                   | 2,939                                   | 2,880                                   | 2,335                                   | 1,923                                     | 1,671  |
| Deferred tax asset   | 1,385                                   | 1,081                                   | 376                                     | 274                                       | 195  |
| Restricted cash  | -                                       | -                                       | -                                       | 26,000                                    | 22,000                                       |
| <b>Total non-current assets</b>                            | <b>264,065</b>                          | <b>258,589</b>                          | <b>248,114</b>                          | <b>259,840</b>                            | <b>245,182</b>                               |
| <b>Current Assets</b>                                      |   |   |   |   |  |
| Inventories  | 875                                     | 831                                     | 816                                     | 1,111                                     | 1,047  |
| Trade and other receivables                                | 2,511                                   | 2,580                                   | 3,343                                   | 3,108                                     | 3,119  |
| Other assets   | 6                                       | -                                       | -                                       | -   | -  |
| Current tax receivable                                     | 3                                       | 3                                       | 18                                      | -   | -  |
| Cash and cash equivalents                                  | 11,569                                  | 6,888                                   | 7,034                                   | 18,106                                    | 27,221                                       |
| <b>Total current assets</b>                                | <b>14,964</b>                           | <b>10,302</b>                           | <b>11,210</b>                           | <b>22,325</b>                             | <b>31,387</b>                                |
| <b>Total Assets</b>  | <b>279,029</b>                          | <b>268,890</b>                          | <b>259,325</b>                          | <b>282,165</b>                            | <b>276,569</b>                               |
| <b>Liabilities</b>   |   |   |   |   |  |
| <b>Non-Current Liabilities</b>                             |   |   |   |   |  |
| Bank Borrowings  | 41,131                                  | 33,664                                  | 28,196                                  | 21,331                                    | 14,961                                       |
| Debt securities in issue                                   | 29,505                                  | 29,591                                  | 29,677                                  | 59,276                                    | 59,412                                       |
| Trade and other payables                                   | 57,944                                  | 56,603                                  | 49,848                                  | 41,907                                    | 34,180                                       |
| Deferred tax liability                                     | 8,321                                   | 8,819                                   | 10,813                                  | 13,960                                    | 17,211                                       |
| Leases Liabilities   | 26,810                                  | 26,992                                  | 26,577                                  | 27,263                                    | 30,072                                       |
| <b>Total non-current liabilities</b>                       | <b>163,711</b>                          | <b>155,669</b>                          | <b>145,112</b>                          | <b>163,737</b>                            | <b>155,836</b>                               |
| <b>Current Liabilities</b>                                 |   |   |   |   |  |
| Bank Borrowings  | 7,010                                   | 7,485                                   | 8,218                                   | 7,221                                     | 6,410  |
| Trade and other payables                                   | 26,020                                  | 21,123                                  | 18,744                                  | 18,854                                    | 19,097                                       |
| Lease liabilities  | 946                                     | 1,475                                   | 1,488                                   | 1,370                                     | 1,735  |
| <b>Total current liabilities</b>                           | <b>33,975</b>                           | <b>30,082</b>                           | <b>28,450</b>                           | <b>27,445</b>                             | <b>27,242</b>                                |
| <b>Total Liabilities</b>                                   | <b>197,686</b>                          | <b>185,751</b>                          | <b>173,561</b>                          | <b>191,182</b>                            | <b>183,078</b>                               |
| <b>Equity</b>  |   |   |   |   |  |
| Share capital  | 80,000                                  | 80,000                                  | 80,000                                  | 80,000                                    | 80,000                                       |
| Retained earnings /<br>(accumulated losses)                | (5,652)                                 | (4,643)                                 | (2,556)                                 | 1,656                                     | 3,791  |
| <b>Equity attributable to the<br/>owners of the parent</b> | <b>74,348</b>                           | <b>75,357</b>                           | <b>77,444</b>                           | <b>81,656</b>                             | <b>83,791</b>                                |
| Non-controlling interest                                   | 6,996                                   | 7,782                                   | 8,319                                   | 9,327                                     | 9,700  |
| <b>Total Equity</b>  | <b>81,344</b>                           | <b>83,139</b>                           | <b>85,764</b>                           | <b>90,983</b>                             | <b>93,491</b>                                |
| <b>Total Equity &amp; Total Liabilities</b>                | <b>279,029</b>                          | <b>268,890</b>                          | <b>259,325</b>                          | <b>282,165</b>                            | <b>276,569</b>                               |

## HISTORIC FINANCIAL REVIEW – FY2023 TO FY2025

### 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 software, 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) as well as leased gaming premises used in the National Lottery operations, office space, warehouses, motor vehicles, and other properties leased by the Group; (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.

Over the years, total assets were impacted by the CAPEX undertaken by the Group, net of annual depreciation and amortisation charges.

### LIABILITIES

As of 30 June 2025, the Group's main liabilities included borrowings, debt securities (which consisted of the listed bond issued in 2022), 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.

|                         | <i>Actual</i><br><b>FY2023</b> | <i>Actual</i><br><b>FY2024</b> | <i>Actual</i><br><b>FY2025</b> | <i>Forecast</i><br><b>FY2026</b> | <i>Projections</i><br><b>FY2027</b> |
|-------------------------|--------------------------------|--------------------------------|--------------------------------|----------------------------------|-------------------------------------|
|                         | €'000                          | €'000                          | €'000                          | €'000                            | €'000                               |
| Current Borrowings      | 7,010                          | 7,485                          | 8,218                          | 7,221                            | 6,410                               |
| Non-Current Borrowings  | 70,636                         | 63,255                         | 57,873                         | 80,607                           | 74,373                              |
| <b>Total Borrowings</b> | <b>77,646</b>                  | <b>70,740</b>                  | <b>66,091</b>                  | <b>87,828</b>                    | <b>80,783</b>                       |
| Cash                    | (11,569)                       | (6,888)                        | (7,034)                        | (18,106)                         | (27,221)                            |
| <b>Net Borrowings</b>   | <b>66,077</b>                  | <b>63,852</b>                  | <b>59,057</b>                  | <b>69,722</b>                    | <b>53,562</b>                       |
| <i>Including leases</i> |                                |                                |                                |                                  |                                     |
| Current Borrowings      | 7,956                          | 8,960                          | 9,706                          | 8,591                            | 8,145                               |
| Non-Current Borrowings  | 97,446                         | 90,247                         | 84,450                         | 107,870                          | 104,445                             |
| <b>Total Borrowings</b> | <b>105,402</b>                 | <b>99,207</b>                  | <b>94,156</b>                  | <b>116,461</b>                   | <b>112,590</b>                      |
| Restricted Cash*        | -                              | -                              | -                              | (26,000)                         | (22,000)                            |
| Cash                    | (11,569)                       | (6,888)                        | (7,034)                        | (18,106)                         | (27,221)                            |
| <b>Net Borrowings</b>   | <b>93,833</b>                  | <b>92,319</b>                  | <b>87,122</b>                  | <b>72,355</b>                    | <b>63,369</b>                       |

\* Further detail on the balances of restricted cash below.

The Group's borrowings over the three years ended 30 June 2025 continued to decline, as payments were made to reduce, primarily, the long-term bank borrowings in terms of contractual obligations related thereto. The bank borrowings related to the National Lottery concession and other borrowings drawn down to finance working capital requirements. Cash and cash equivalents varied during the three-year period, reflecting, in the main, the continued CAPEX and the servicing of the said bank borrowings. 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.

#### 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.

## OUTLOOK FOR FY2026 & FY2027

Going forward, the Group's financial position is expected to reflect the new bond issue of 2026. The funds from the new bond will be used to support the Group's international expansion, explained in earlier parts of this FAS, as equity contribution to the subsidiaries participating in concession bids and other growth projects that the Group pursues. Such funds, shown on the asset side as 'restricted cash' would subsequently be deployed by the Group in the operations of concessions that the Group is expected to win. Until such time when the concessions are awarded, the funds would be diverted towards finance income-generating assets, which ought to also alleviate the net finance costs incurred by the Group during such period.

## 9. STATEMENTS OF CASH FLOW

|  | <i>Actual</i><br>FY2023<br>€'000 | <i>Actual</i><br>FY2024<br>€'000 | <i>Actual</i><br>FY2025<br>€'000 | <i>Forecast</i><br>FY2026<br>€'000 | <i>Projections</i><br>FY2027<br>€'000 |
|--|----------------------------------|----------------------------------|----------------------------------|------------------------------------|---------------------------------------|
| Total cash flows generated from operating activities     | 17,185                           | 23,450                           | 28,370                           | 33,663                             | 33,550                                |
| Net cash used in investing activities                    | (55,704)                         | (13,617)                         | (16,292)                         | (38,808)                           | (10,560)                              |
| <b>Free Cash Flows</b>                                   | <b>(38,518)</b>                  | <b>9,833</b>                     | <b>12,078</b>                    | <b>(5,145)</b>                     | <b>22,990</b>                         |
| Net cash generated from / (used in) financing activities | 31,218                           | (14,514)                         | (11,932)                         | 16,217                             | (13,875)                              |
| <b>Net movement in cash and cash equivalents</b>         | <b>(7,300)</b>                   | <b>(4,681)</b>                   | <b>146</b>                       | <b>11,072</b>                      | <b>9,115</b>                          |
| Cash and cash equivalents at the beginning of the year   | 18,869                           | 11,569                           | 6,888                            | 7,034                              | 18,106                                |
| <b>Cash and cash equivalents at the end of the year</b>  | <b>11,569</b>                    | <b>6,888</b>                     | <b>7,034</b>                     | <b>18,106</b>                      | <b>27,221</b>                         |

## HISTORIC FINANCIAL REVIEW – FY2023 TO FY2025

The cash generation capabilities of the Group have improved considerably over the years, reflecting the growth in operations of the National Lottery and the sustained growth in all the other business verticals within the Group.

The capital expenditure undertaken during the three years ended 30 June 2025 supported the groundwork for longer-term sustainable growth and revenue generation capabilities of the Group, including the allocation of resources for its own retail distribution network. The bank loan drawn in 2022 (and reflected in FY2023) related to the National Lottery concession was serviced annually

through the cash-generative capabilities of the Group, despite also the capital expenditure made during the same period, as mentioned above. The resultant closing cash position at the end of FY2025 was of just over €7 million.

#### OUTLOOK FOR FY2026 & FY2027

The cash flows from operations are expected to exceed €33 million in both FY2026 and FY2027, reflecting the improved operational levels of the Group, as the Malta-based operations are expected to generate improved GGR across the three verticals.

Investing activities reflect the applied proceeds from the bond issue towards the capitalisation of entities within the Group that will lead the internationalisation strategy, as well as further CAPEX necessary both in this regard as well as continued operations in Malta. Meanwhile, financing activities reflect the bond issue proceeds in FY2026, net of scheduled repayment of bank facilities, servicing of interest on the various Group's borrowings, and the payments related to lease liabilities.

Consequently, the Group is forecasting a positive cash balance of €27.2 million by the end of FY2027. This projection also takes into account the Group's obligation to repay the principal of the 4.25% Bond, which is set to be redeemed on 14 April 2029.

## 10. 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<br>FY2023 | Actual<br>FY2024 | Actual<br>FY2025 | Forecast<br>FY2026 | Projections<br>FY2027 |
|---|------------------|------------------|------------------|--------------------|-----------------------|
| <b>EBITDA margin</b><br><i>(EBITDA / Revenue)</i>                                   | 19.7%            | 26.7%            | 30.7%            | 30.9%              | 29.0%                 |
| <b>Operating Profit margin</b><br><i>(Operating Profit / Revenue)</i>               | N/A              | 8.5%             | 12.6%            | 13.2%              | 11.1%                 |
| <b>Net Profit margin</b><br><i>(Profit for the period / Revenue)</i>                | N/A              | 2.1%             | 4.7%             | 5.1%               | 2.4%                  |
| <b>Return on Equity</b><br><i>(Net Profit / Average Equity)</i>                     | N/A              | 2.2%             | 5.3%             | 5.8%               | 2.7%                  |
| <b>Return on Capital Employed</b><br><i>(Net Profit / Average Capital Employed)</i> | N/A              | 0.7%             | 1.9%             | 2.1%               | 1.0%                  |
| <b>Return on Assets</b><br><i>(Profit for the period / Average Assets)</i>          | N/A              | 0.7%             | 1.7%             | 1.9%               | 0.9%                  |
| <b>Current Ratio</b><br><i>(Current Assets / Current Liabilities)</i>               | 0.4x             | 0.3x             | 0.4x             | 0.8x               | 1.2x                  |
| <b>Cash Ratio</b><br><i>(Cash &amp; cash equivalents / Current Liabilities)</i>     | 0.3x             | 0.2x             | 0.2x             | 0.7x               | 1.0x                  |
| <b>Interest Coverage ratio</b><br><i>(EBITDA / Net finance costs)</i>               | 2.8x             | 4.5x             | 6.1x             | 6.4x               | 5.4x                  |

|  |       |       |       |       |       |
|--|-------|-------|-------|-------|-------|
| <b>Gearing Ratio</b><br><i>(Net debt / [Net Debt + Total Equity])</i>            | 44.8% | 43.4% | 40.8% | 43.4% | 36.4% |
| <b>Gearing Ratio (2)</b><br><i>[Total debt / (Total Debt plus Total Equity)]</i> | 48.8% | 46.0% | 43.5% | 49.1% | 46.4% |
| <b>Adjusted Net Debt to EBITDA</b><br><i>(Adjusted Net Debt* / EBITDA)</i>       | 4.8x  | 2.8x  | 2.0   | 2.2x  | 1.8x  |
| <b><i>Including leases</i></b>   |       |       |       |       |       |
| <b>Gearing Ratio</b><br><i>(Net debt / [Net Debt + Total Equity])</i>            | 53.6% | 52.6% | 50.4% | 44.3% | 40.4% |
| <b>Gearing Ratio (2)</b><br><i>[Total debt / (Total Debt plus Total Equity)]</i> | 56.4% | 54.4% | 52.3% | 56.1% | 54.6% |

*\*Adjusted Net Debt eliminates the effect of leases in order to be aligned to the Group's calculation of EBITDA, as explained in section 7 above.*

*Source: Management information*

*Note: Readers may wish to note the disclosure made in section 7 with respect to the Group's performance for FY2027, which in turn explains the weakening of some of the ratios presented on a consolidated basis, which are not reflective of the performance of the comparable Maltese operations.*

The performance of the Group is manifested in the improved margins and profitability ratios that the Group has reported in the historic periods covering FY2023, FY2024 and FY2025. 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. Meanwhile, as anticipated in earlier parts of this report, on a consolidated basis, FY2027 is expected to be characterised by additional costs required in relation to the internationalisation strategy that the Group is embarking on, which as a result, is expected to put pressure on profitability ratios.

Nevertheless, management expects these ratios to improve again from FY2028 onwards, once income from international concessions start being recognised.

The Group's current ratio improved during the historic period covered in this report, 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 and FY2027, reflecting the additional cash from the bond proceeds.

As EBITDA improved year on year, the Group's interest coverage ratio strengthened accordingly and is expected to improve further in FY2026. In FY2027, however, the ratio is expected to weaken due to higher operating costs associated with the new international concessions, which are anticipated to reduce EBITDA, alongside finance costs reflecting a full-year interest impact from the newly issued bonds. Despite this deterioration, interest coverage is expected to remain at a robust level.

Gearing ratios (excluding lease liabilities) remained below the 50% level in the historic period covering FY2023 to FY2025, extending also to FY2026 and FY2027, despite the additional borrowings being undertaken by the Group, reflecting the Group's continued prudent capital management and adequate capitalisation. 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%, including when accounting for the additional borrowing related to the new bonds in issue.

## 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<br>Outstanding<br>(€) | Gearing*     | Net Debt<br>to EBITDA | Interest<br>Cover** | YTM          |
|--|------------------------------|--------------|-----------------------|---------------------|--------------|
| 3.65% Stivala Group Finance plc<br>2029 (Secured)  | 15,000,000                   | 22.0%        | 5.8x                  | 4.0x                | 3.96%        |
| 3.80% HILI Finance Company plc<br>2029             | 80,000,000                   | 60.1%        | 3.1x                  | 6.1x                | 4.99%        |
| 3.75% AX Group plc 2029                            | 10,000,000                   | 41.6%        | 8.2x                  | 2.8x                | 4.47%        |
| 3.75% TUM Finance plc 2029 (Secured)<br>(Puttable) | 20,000,000                   | 66.1%        | 76.2x                 | 1.2x                | 4.65%        |
| 4.00% Cablenet Communication<br>Systems plc 2030   | 40,000,000                   | 99.2%        | 2.3x                  | 6.0x                | 5.77%        |
| <b>4.25% IZI Finance plc 2029</b>                  | <b>30,000,000</b>            | <b>40.8%</b> | <b>3.0x</b>           | <b>8.7x</b>         | <b>5.13%</b> |
| 5.35% CPHCL Finance plc 2035                       | 45,000,000                   | 43.6%        | 12.0x                 | 1.4x                | 5.27%        |
| 5.30% Int. Hotel Investments plc                   | 35,000,000                   | 41.7%        | 8.6x                  | 1.8x                | 5.29%        |
| <b>5.50% IZI Finance plc 2036</b>                  | <b>30,000,000</b>            | <b>40.8%</b> | <b>3.0x</b>           | <b>8.7x</b>         | <b>5.50%</b> |

Source: Yield to Maturity from rizzofarrugia.com, based on bond prices of 18 February 2026. 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 for the Company.

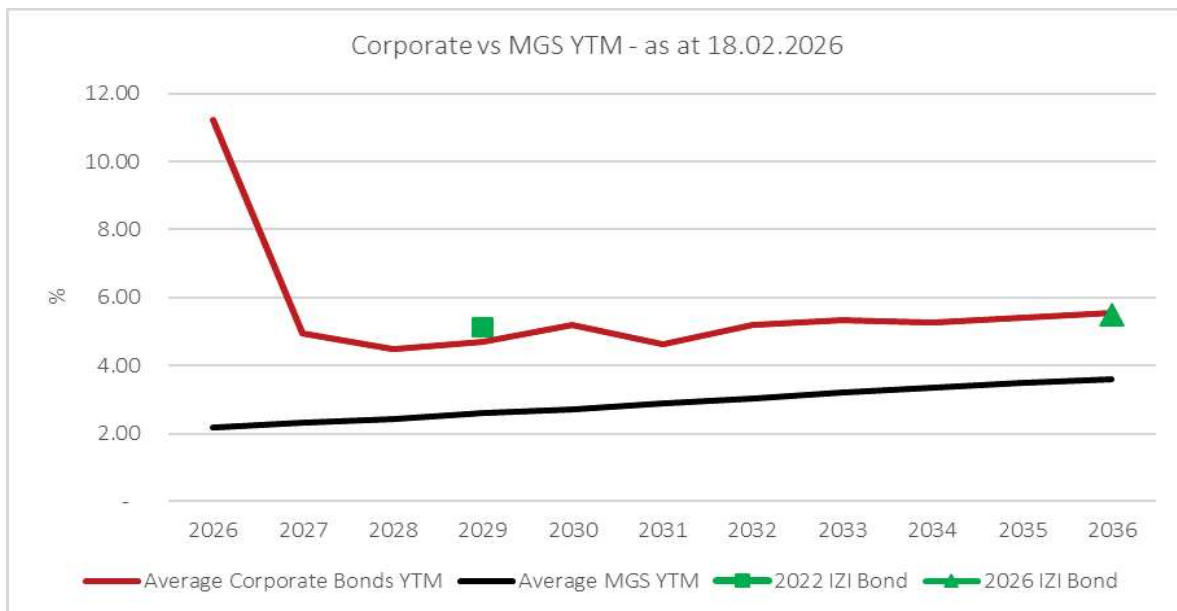
## ADDITIONAL SECURITIES

In 2022, the Group issued and listed another bond, details as follows:

|         |              |
|---------|--------------|
| Amount: | €30 million  |
| Term:   | 7 years      |
| ISIN:   | MT0002631209 |

The following shows the average yield to maturity of listed corporate bonds and MGS covering a ten-year period, and how the Company's bonds compare to such average yields. All the yields presented hereunder are as of 18 February 2026.

|                  | Coupon | Term     | YTM (as at 18.02.2026) |
|------------------|--------|----------|------------------------|
| <b>2022 Bond</b> | 4.25%  | 7 years  | 5.13%                  |
| <b>2026 Bond</b> | 5.50%  | 10 years | 5.50%                  |



At a coupon of 4.25% per annum and the bonds trading at below par, the Company's 2022 bonds are yielding 44 basis points above the equivalent average corporate bonds YTM for 2029 maturities and at a 252-basis point premium over the average MGS YTM for 2029 maturities.

The 2026 bonds, priced at par and having a coupon of 5.50%, are issued at a 191-basis point premium over the average yield for 10-year MGS, and 6 basis points lower than the average yield for corporate bonds for 2036 maturities.

|                  | Yield | Comparison with MGS | Comparison with Corporate Bonds |
|------------------|-------|---------------------|---------------------------------|
| <b>2022 Bond</b> | 5.13% | 252bp premium       | 44bp premium                    |
| <b>2026 Bond</b> | 5.50% | 191bp premium       | 6bp discount                    |

## 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 operation less lease payments.    |
| 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, and is derived by dividing profit after tax for the year by the average current assets less current liabilities of the financial year and the previous financial year.

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.