

IZI Finance p.l.c.

# Report & Consolidated Financial Statements

30 June 2026

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## **Directors' report**

The directors present their report and the audited financial statements for the year ended 30 June 2026.

### **Principal activities**

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

### **Review of business and results**

During the year under review, the Group continued to register strong growth across all its businesses while sustaining the pace of the implementation of its strategic and operational development programme. Attaining a historic milestone, the Group has for the first time exceeded the €1 billion turnover and also the €1 billion player winnings. Building on its leadership position within the local gaming sector, the Group continued to invest in its operations, distribution, digital capabilities and organisational infrastructure. In parallel, the Group has continued to progress its internationalisation strategy and will progressively pursue targeted international opportunities with high barriers to entry where the Group believes its experience, technology and operating model can create sustainable long-term value.

The Group's continuous transformation strategy remained focused on enhancing operational efficiency, diversifying its product and service offering, strengthening its digital capabilities and pursuing new growth opportunities. These initiatives, together with the strong performance of the Group's core operations, have continued to strengthen its financial and operational platform and position the Group for sustainable long-term growth, both locally and internationally.

A significant milestone during the financial year was the successful completion by IZI Finance p.l.c. of its second bond issue, comprising €30 million 5.5% Unsecured Bonds 2036. The issuance further strengthened the Group's capital and liquidity position and enhanced its financial flexibility to support its investment programme, strategic initiatives and future growth opportunities. The issue generated net proceeds of approximately €29.4 million during the year. Together with the Group's strong internally generated cash flows, the additional funding provides a solid financial platform from which the Group can continue to pursue its local and international growth strategy while maintaining a prudent approach to liquidity and capital management.

As of 30 June 2026, the Group held cash and cash equivalents of €44.3 million, compared with €7.0 million at 30 June 2025, providing a strong financial base from which to pursue its strategic objectives while continuing to meet its financial obligations.

### **Strategic and operational developments**

During the year under review, the Group continued to focus on new business opportunities, enhancing operational efficiencies and pursuing sustainable growth within the risk appetite framework established by the directors. The Group continued to leverage the strength and experience developed through its local operations as a platform for further expansion and diversification.

In parallel, the Group continued to progress its internationalisation strategy. Building on the corporate presence established in identified target markets, management continued to assess and develop potential opportunities and partnerships in selected jurisdictions.

As these prospects evolve, the Group intends to deploy the appropriate financial and operational resources in a disciplined manner, enabling it to pursue international growth while maintaining an appropriate balance between opportunity, investment and risk.

National Lottery plc, a key subsidiary of the Group and Malta's National Lottery operator, continued to maintain its world-class Level 4 Responsible Gaming Certification from the World Lottery Association (WLA), underlining its commitment to providing safe, fair and responsible gaming experiences. National Lottery plc also continued to retain its WLA Level 2 Security Control Standard Certification, following the attainment of ISO/IEC 27001:2022 certification for information security management. These achievements reinforce the Group's continued commitment to best practice in compliance, integrity, governance, information security and player protection.

During the current financial year, National Lottery plc was also inducted as a full member of the United Lotteries for Integrity in Sports (ULIS), following the ULIS General Assembly held in Bern, Switzerland in September 2025 in conjunction with the European Lotteries Congress 2025. ULIS is a global non-profit association dedicated to safeguarding the integrity of sports through education, surveillance of sports betting markets and international collaboration among relevant stakeholders. Membership of ULIS represents a further milestone in the Group's commitment to transparency, integrity, fair play and responsible gaming.

The Group remains fully committed to maintaining high standards of integrity, social responsibility and best practice across its operations.

The Group's policy to adopt sustainable growth across its operations is driven by the strengthening of its corporate and executive functions, including initiatives aimed at further developing its Responsible Gaming framework and implementing its comprehensive Environmental, Social and Governance (ESG) programme, with a continued focus on:

- minimising the Group's carbon footprint;
- advancing responsible gaming initiatives;
- strengthening governance through a robust Corporate Governance framework; and
- maintaining effective Anti-Money Laundering and Counter Financing of Terrorism (AML/CFT) systems.

### **Financial performance**

The Group delivered a strong financial performance in 2026, exceeding all its own targets and recording significant year-on-year growth across all its key financial metrics:

- Total turnover reached €1.172 billion in 2026, representing a 27.4% increase compared to €920.0 million generated in 2025.
- Total player winnings amounted to €1.060 billion in 2026, representing a 28.4% increase compared to €825.5 million paid out in 2025.
- Total Gross Gaming Revenue (GGR) increased to €110.9 million in 2026, representing an 18.3% increase compared to €93.7 million generated in 2025.
- Other revenue increased to €0.66 million in 2026, representing a 22.9% increase compared to €0.54 million in 2025.
- Consequently, total revenue increased to €111.5 million (2025: €94.2 million), representing year-on-year growth of 18.3%.

This growth was primarily driven by increases in total turnover and GGR at National Lottery plc, complemented by continued strong performance across the casino and interactive gaming segments. The increase in GGR, together with improved operating performance, contributed to Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) of €37.3 million in 2026 (refer to note 6.2 for its computation), representing an increase of 29.1% over the €28.9 million generated in 2025. The Group's EBITDA margin on GGR improved to 33.7% in 2026, compared with the 30.8% registered in 2025, an increase of approximately 2.9 percentage points, reflecting stronger operational performance and improved profitability across the Group.

Lottery remained the largest contributor, accounting for approximately 60% of the Group's total EBITDA (2025: 58%). This was followed by casino, which contributed approximately 21% (2025: 25%), while interactive gaming contributed approximately 8% (2025: 8%). The Group's other activities contributed the remaining 11% of the consolidated EBITDA (2025: 9%).

### **Operating profit and depreciation**

Operating profit for the year increased to €19.4 million (2025: €11.9 million), representing an increase of approximately 63.8% over the previous year. This improvement reflects the Group's strong revenue growth and enhanced operating performance. Depreciation and amortisation expenses amounted to €20.6 million (2025: €19.7 million), an increase of approximately 4.6%, reflecting the Group's continued investment in its operational infrastructure and asset base in support of its long-term growth strategy. This amount includes the amortisation of concession fees paid to the Government of Malta by National Lottery plc and Dragonara Gaming Limited.

### **Net profit and projections**

Profit before tax increased to €14.4 million (2025: €7.1 million), representing an increase of €7.3 million, or approximately 102.0%, over the previous year.

The Group's performance also significantly exceeded the projections set out in the Financial Analysis Summary published on 26 February 2026, which projected profit before tax of €8.5 million for the financial year under review. The actual profit before tax generated during this financial year exceeded this projection by approximately €5.95 million, or 70.2%, representing approximately 1.70 times the projected amount.

### **Balance sheet strength**

At the close of the financial year, the Group's total equity increased to €91.8 million (2025: €85.8 million), reflecting the strong profitability achieved during the year. Total assets increased to €286.8 million (2025: €259.3 million), while total liabilities amounted to €195.0 million (2025: €173.6 million). The increase in liabilities principally reflects the additional funding raised during the year, including the issuance of the €30 million 5.5% Unsecured Bonds 2036.

During the financial year ended 30 June 2026, the Group generated net cash from operating activities of €39.7 million (2025: €28.4 million), representing an increase of approximately 40% over the prior year. This strong operating cash generation, together with the proceeds from the new bond issue, contributed to a substantial increase in cash and cash equivalents, which reached €44.3 million as at 30 June 2026, compared with €7.0 million as at 30 June 2025.

The Group's working capital position also improved significantly, reaching a surplus of €24.3 million as at 30 June 2026. This strengthened liquidity position, together with the Group's robust operating cash generation and the substantial completion of its major capital investment programme, provides a solid foundation for future growth. With significant investments undertaken in recent years, the Group is well positioned to realise the benefits of these investments while retaining the financial flexibility required to pursue further strategic growth opportunities.

### **Direct contributions to government and good causes**

During the year under review, National Lottery plc contributed a total of €31.1 million in concession fees and gaming taxes to the Government of Malta, together with contributions to the Social Causes Fund and the Responsible Gaming Foundation. This represented 41.1% of the total GGR generated by National Lottery plc for the year.

Furthermore, Dragonara Gaming Limited and IZI Interactive Limited together contributed €10.7 million in concession fees and gaming taxes to the Government of Malta, together with contributions to the Responsible Gaming Foundation. This represented 30.3% of their combined GGR for the year.

Overall, the Group contributed a total of €41.8 million in concession fees and gaming taxes to the Government of Malta, together with contributions to the Social Causes Fund and the Responsible Gaming Foundation. This represented 37.7% of the Group's GGR for the year.

### **Outlook**

The Group enters the new financial year from a strengthened financial and operational position, supported by robust operating cash generation and the successful issuance of the €30 million 5.5% Unsecured Bonds 2036. Having substantially completed the major capital investment programme associated with its core Malta-based operations, the Group enters the next phase of its strategy from a solid foundation.

In line with the strategy outlined in the Registration Document dated 26 February 2026, the proceeds of the new bond issue are intended to support the capitalisation of the Group's international operations and provide the financial resources required to pursue selected opportunities, particularly gaming opportunities with high barriers to entry. The Group will progressively pursue targeted international opportunities with high barriers to entry where it believes its experience, technology and operating model can create sustainable long-term value. The Group will continue to evaluate such opportunities against clearly defined regulatory, commercial, operational and financial criteria and will deploy capital in a disciplined manner where management considers the expected risk-adjusted returns to be appropriate.

At the same time, the Group remains committed to further strengthening its established Maltese operations through continued product innovation, expansion and optimisation of its distribution channels, enhancement of its digital offering and continued focus of operational efficiency. These initiatives are expected to support continued improvements in operating performance and cash generation while providing a strong domestic platform from which the Group can pursue its international ambitions. These priorities are also consistent with the five-pronged strategy set out in the Registration Document.

The directors remain confident in the Group's long-term prospects. The combination of a strong underlying Maltese business, enhanced liquidity following the bond issue, robust operating cash generation and a growing pipeline of international opportunities provides the Group with a solid platform from which to execute the next phase of its growth strategy. The Group will nevertheless maintain a disciplined approach to capital allocation, ensuring that international investments are pursued within its established risk appetite and with due consideration to regulatory, financial and operational requirements in each target jurisdiction.

### **Dividend and reserves**

During the year under review, the directors declared an interim dividend amounting to €1,936,000 (2025: €1,084,000) by the Company.

### **Directors**

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

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

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

### **Disclosure of information to auditor**

At the date of making this report, the directors confirm the following:

- as far as each director is aware, there is no relevant information needed by the independent auditor in connection with preparing the audit report of which the independent auditor is unaware; and
- each director has taken all steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant information needed by the independent auditor in connection with preparing the audit report and to establish that the independent auditor is aware of that information.

### **Statement of directors' responsibilities**

The Companies Act, Cap. 386 requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and the Group as at the end of the financial year and of the profit or loss of the Company and the Group for that year. In preparing these financial statements, the directors are required to:

- adopt the going concern basis unless it is inappropriate to presume that the Company and the Group will continue in business;
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- account for income and charges relating to the accounting period on the accruals basis;
- value separately the components of asset and liability items; and
- report comparative figures corresponding to those of the preceding accounting period.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements have been properly prepared in accordance with the Companies Act, Cap. 386. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. They are also responsible for safeguarding the assets of the Company and the Group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Auditor**

The auditor, Grant Thornton, has intimated its willingness to continue in office and a resolution proposing its reappointment will be put to the Annual General Meeting.

**Signed on behalf of the board of directors on 29 September 2026 by Dr Christian Gernert (Chairman) and Mr Johann Schembri (Director) as per the Directors' Declaration on ESEF Annual Financial Report submitted in conjunction with the Annual Financial Report.**

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## **Statement by the directors on the financial statements**

Pursuant to Capital Markets Rule 5.68, we, the undersigned, declare that to the best of our knowledge, the financial statements included in the annual report, and prepared in accordance with the requirements of International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit of the Company and the Group, and that this report includes a fair review of the development and performance of the business and position of the Company and the Group, together with a description of the principal risks and uncertainties that it faces.

**Signed on behalf of the board of directors on 29 September 2026 by Dr Christian Gernert (Chairman) and Mr Johann Schembri (Director) as per the Directors' Declaration on ESEF Annual Financial Report submitted in conjunction with the Annual Financial Report.**

## **Directors' statement of compliance with the Code of Principles of Good Corporate Governance**

This corporate governance statement (the "**Statement**") is made pursuant to Rule 5.97 of the Capital Markets Rules issued by the Malta Financial Services Authority (the "**Rules**"). IZI Finance p.l.c. (the "**Company**") is required to include this Statement in its Annual Financial Report and to endeavour to adopt the Code of Principles of Good Corporate Governance (the "**Code**") as set out in Appendix 5.1 to Chapter 5 of the Rules. The Code is publicly available on the website of the Malta Financial Services Authority. This Statement covers the financial year ended 30 June 2026 and reports on the extent of the Company's adoption of the Code and the effective measures taken to ensure compliance with its principles.

This report covers the period commencing 1 July 2025 up to and including 30 June 2026.

The board of directors acknowledges that the Code does not dictate or prescribe mandatory rules but recommends principles of good practice. However, the directors strongly believe that such practices are in the best interests of the Company, its shareholders, bondholders and other stakeholders, and that compliance with the Code, is not only expected by investors of the Company's securities admitted to trading on the Official List of the Malta Stock Exchange but also evidences the directors' and the Company's commitment to maintaining a high standard of good governance.

The directors note that, as the Company has only issued debt securities and has not issued equity securities, it is exempt under Rule 5.101 from reporting on the matters prescribed in Rules 5.97.1 to 5.97.3, 5.97.6, and 5.97.8 in this Statement. Where appropriate, the Company has provided information on these matters on a best-efforts basis.

### **A. COMPLIANCE WITH THE CODE**

The Board of Directors (the "**Board**") is ultimately responsible for the Company's corporate governance and for setting its overall policies and business strategies. The Company acts as the holding and finance company of the IZI Finance Group (the "**Group**") and does not engage in trading activities directly. Its principal function is to provide financing to its operating subsidiaries and associated companies. The Group's core business is in the land-based gaming sector, with additional activities in the online gaming market.

The Company has adopted a corporate decision-making and supervisory structure that is tailored to suit its requirements and designed to ensure the existence of adequate controls and procedures within the Group, whilst retaining an element of flexibility essential to allow the Group to react promptly and efficiently to circumstances arising in respect of its business, taking into account its size and the economic conditions in which it operates. The directors are of the view that it has employed structures which are most suitable and complementary for the size, nature, and operations of the Company. Accordingly, in general, the directors believe that the Company has adopted appropriate structures to achieve an adequate level of good corporate governance, together with an adequate system of control in line with the Company's requirements.

The Board shall keep the principles of the Code under review and shall monitor any developments in the Company's business to evaluate the need to introduce new corporate governance structures or mechanisms, as and when the need arises.

This Statement sets out the structures and processes in place within the Company and how these achieve the objectives of the Code for the financial period under review. The Statement is structured by reference to the main principles of the Code, as required by the Rules, and provides an explanation of how these principles have been applied. Where the Company has not complied with any of the principles of the Code, this Statement provides an explanation for such non-compliance, in line with the 'comply or explain' approach.

### **Principle 1: The Board**

The Board confirms that, during the year under review, the directors have provided effective leadership and oversight of the Company, ensuring its efficient and proper management. The directors have discharged their responsibilities with honesty, competence, and integrity, in line with the principles of good corporate governance.

The Board is responsible for the overall strategic direction and management of the Company, including setting strategies for future growth and development, and approving any proposed acquisitions in pursuit of the Company's investment objectives. The Board's aim is to enhance value for shareholders and other stakeholders.

The Board is composed of individuals who are fit and proper to direct the Company's business, each possessing the appropriate calibre, skills, and experience to contribute effectively to the Board's decision-making. All directors are fully aware of, and conversant with, the statutory and regulatory requirements relevant to the Company's business. The Board is accountable for its own performance and that of its delegates to shareholders and other stakeholders. The directors are committed to:

- exercise prudent and effective controls which enable risk to be assessed and managed to achieve continued prosperity to the Company;
- be accountable for all actions or non-actions arising from discussions and actions taken by them or their delegates;
- determine the Company's strategic aims and the organisational structure;
- regularly review management performance and ensure that the Company has the appropriate mix of financial and human resources to meet its objectives and improve the economic and commercial prosperity of the Company;
- acquire a broad knowledge of the business of the Company;
- be aware of and be conversant with the statutory and regulatory requirements connected to the business of the Company;
- allocate sufficient time to perform their responsibilities; and
- regularly attend meetings of the Board.

The Board is composed of a mix of executive and independent non-executive directors, as further detailed below. This structure enables the Board, and particularly the non-executive directors, to have direct information about the Company's performance and business activities, in line with the requirements of the Rules regarding the composition and operation of the Board and its committees.

### **Principle 2: Chairman and Chief Executive Officer**

The roles of Chairman and Chief Executive Officer (“CEO”) are held by separate individuals: Dr Christian Gernert serves as Chairman, while Mr Johann Schembri serves as CEO. This clear separation of roles ensures an appropriate division of responsibilities between the leadership of the Board and the day-to-day management of the Company's business. The Chairman leads the Board and sets its agenda, while the CEO is responsible for the operational management of the Company. This structure prevents the concentration of authority and power in one individual and supports effective corporate governance.

The Chairman ensures that the Board receives accurate, timely, and objective information to enable sound decision-making and effective oversight of the Company's performance. The Chairman also facilitates effective communication with shareholders and other stakeholders, and encourages active participation by all directors, particularly in the discussion of complex or significant matters.

The Board considers that these functions have been carried out in accordance with Code provision 2.2. Although the Chairman is not classified as an independent director as recommended by the Code, the Board is satisfied that any potential conflicts of interest are appropriately addressed through the Company's statute and the terms of reference of the Audit Committee. The Board further considers that the current Chairman is fit and proper to fulfil the role.

The CEO is accountable to the Board for the overall management and performance of the Company's business operations.

### **Principle 3: Composition of the Board**

The Board is composed of a balanced mix of executive and independent non-executive directors, comprising three (3) executive directors and three (3) independent non-executive directors. All directors are appointed by JGS Corporate Holdings Limited with company registration C 34215, the Company's majority shareholder. This composition, in line with Principle Three of the Code, is considered to provide an effective balance that aligns stakeholder interests and offers strategic direction to the Company's management, supporting the long-term sustainability of the organisation.

The primary role of the independent non-executive directors is to provide oversight of the executive directors' activities and performance, and to evaluate investment opportunities proposed by management. Additionally, the independent non-executive directors serve as a safeguard against potential conflicts of interest that may arise due to the dual roles of the executive directors within both the Company and JGS Corporate Holdings Limited.

For the purposes of Rules 5.118 and 5.119, the Board considers Ms Jacqueline Camilleri, Dr Stephanie Fabri, and Dr Otto Karasek to be independent non-executive directors. Each of these directors is committed to maintaining independence, professionalism, and integrity in the discharge of their duties and responsibilities as directors of the Company.

The Board confirms that, in accordance with Code provision 3.2, none of the independent non-executive directors of the Company:

- are or have been employed in any capacity by the Company;
- have or have had, over the past three (3) years, a significant business relationship with the Company;
- have received or receives significant additional remuneration from the Company in addition to its director's fee;
- have served on the Board for more than twelve (12) consecutive years;
- have close family ties with any of the Company's executive directors or senior employees; and
- have been, within the last three (3) years, an engagement partner or a member of the audit team or a past external auditor of the Company.

In terms of Code provision 3.4, each non-executive director has declared in writing to the Board that he/she undertakes to:

- maintain in all circumstances, his/her independence of analysis, decision, and action;
- not to seek or accept any unreasonable advantages that could be considered as compromising his/her independence; and
- clearly express his/her opposition in the event that he/she finds that a decision of the Board may harm the Company.

Each non-executive director has complied with such an undertaking for the period under review.

The Board also believes that the independence of its directors is not compromised because of long service or the provision of any other service to the Company and/or its subsidiaries.

The Board is made up as follows:

*Executive directors*

Dr Christian Gernert (Chairman)  
Mr Johann Schembri  
Mr Franco De Gabriele

*Independent non-executive directors*

Ms Jacqueline Camilleri  
Dr Stephanie Fabri  
Dr Otto Karasek

**Principle 4: The Responsibilities of the Board**

The Board recognises its responsibility, in line with Principle Four, to ensure effective systems of accountability, monitoring, strategy formulation, and policy development are in place.

The Board acknowledges its statutory mandate to administer and manage the Company. In fulfilling this mandate and its duty of stewardship, the Board meets regularly to address business strategy, operational and financial performance, and assumes responsibility for the Company's strategy and decisions regarding the issue, servicing, and redemption of its bonds. The Board also monitors compliance with commitments to bondholders, shareholders, and all relevant laws and regulations, and is responsible for ensuring the Company maintains effective internal control and management information systems, as well as effective communication with the market.

In fulfilling its mandate, the Board:

- a) defines clearly the Company's strategy, policies, management performance criteria and business policies which can be measured in a precise and tangible manner;
- b) has established a clear internal and external reporting system so that the Board has continuous access to accurate, relevant, and timely information such that the Board can discharge its duties, exercise objective judgment on corporate affairs and take pertinent decisions to ensure that an informed assessment can be made of all issues facing the Board;
- c) establishes an audit committee in terms of Rules 5.117 - 5.134;
- d) continuously assesses and monitors the Company's present and future operations, opportunities, threats and risks in the external environment and current and future strengths and weaknesses;
- e) evaluates management's implementation of the Company's policies, corporate strategy, and financial objectives, and regularly reviews the strategy, processes and policies adopted for implementation using key performance indicators so that corrective measures can be taken to address any deficiencies and ensure the future sustainability of the Company;
- f) ensures that the Company has appropriate policies and procedures in place to assure that the Company and its employees maintain the highest standards of corporate conduct, including compliance with applicable laws, regulations, business, and ethical standards;
- g) assesses its business risk and key performance indicators against industry norms so that the Company's performance can be effectively evaluated;
- h) requires management to constantly monitor performance and report to its satisfaction, at least on a quarterly basis, fully and accurately on the key performance indicators;
- i) ensures that the financial statements of the Company and the annual audit thereof, are completed in a timely manner.

In fulfilling its responsibilities, the Board continuously assesses and monitors the Company's present and future operations, opportunities, threats and risks in the external environment, and its current and future strengths and weaknesses. The Board evaluates and reviews the implementation of the business and financial strategy of the Company.

In ensuring compliance with other statutory requirements and with continuing listing obligations, the Board is advised directly, as appropriate, by its appointed legal and other advisors. The directors are entitled to seek independent professional advice at any time on any aspect of their duties and responsibilities, at the Company's expense.

During the period under review, the Board organised information sessions to ensure that directors are made aware of, inter alia, their statutory and fiduciary duties; the Company's operations and prospects; the skills and competence of senior management; the general business environment; and the Board's expectations. The Company remains committed to ensuring that information sessions are organised by the Board on a regular basis.

The Board reports that since the Company does not carry out any trading activities of its own, the Company does not have any new business plans or strategies and its main function remains that of a finance company for the Group. In this context, the Board believes that through its regular meetings it is in a position to properly monitor the financial position and business of the Company.

### **The Audit Committee**

The Company has established an audit committee (the "**Audit Committee**") in line with the requirements of the Rules.

#### *Composition*

The Audit Committee is appointed by the Board and is composed of three (3) non-executive directors all of whom are also independent:

- Ms Jacqueline Camilleri – Chairperson and Member
- Dr Otto Karasek – Member
- Dr Stephanie Fabri – Member

Dr Louis De Gabriele acted as the secretary to the Audit Committee.

For the purpose of Rules 5.118 and 5.119, Ms Jacqueline Camilleri, Dr Stephanie Fabri and Dr Otto Karasek are the non-executive directors who are considered by the Board to be independent. Each director is mindful of maintaining independence, professionalism, and integrity in carrying out his/her duties, responsibilities and providing judgement as a director of the Company.

Ms Jacqueline Camilleri is a non-executive director and a qualified accountant, who the Board considers as independent and competent in accounting as required in terms of the Rules.

#### *Roles and Responsibilities*

The Audit Committee is a sub-committee of the Board constituted to fulfil an oversight role in connection with, inter alia, the quality and integrity of the Company's financial statements. In performing its duties, the Audit Committee is to maintain effective working relationships with the Board, management, and the external auditors of the Company.

The Audit Committee's primary objective is to assist the Board in fulfilling its responsibilities: in dealing with issues of risk, control, and governance; and to monitor and review the financial reporting processes, financial policies, and internal control structure of the Company to ensure that the Company and its employees maintain the highest standards of corporate conduct, including compliance with applicable laws, regulations, business, and ethical standards.

The Audit Committee is also responsible for the overview of the internal audit function. The role of the internal auditor is to carry out systematic risk-based reviews and appraisals of the operations of the Company (as well as of its subsidiaries) for the purpose of advising management and the Board, through the Audit Committee, on the efficiency and effectiveness of management policies, practices, and internal controls. The function is expected to promote the application of best practices within the Company to meet stakeholders' expectations.

#### *Related Party Transactions*

In addition, the Audit Committee also has the role and function to scrutinise and evaluate any proposed transaction to be entered into by the Company and a “**Related Party**” (which term shall have the same meaning as in the International Accounting Standards adopted in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council) to ensure that the execution of any such transaction is at arm's length, on a commercial basis and ultimately in the best interests of the Company.

Any proposed transaction which the Company wishes to enter into, and which satisfies either of the following conditions is referred to the Audit Committee for its consideration and approval:

- a) transactions which clearly fall within the ambit of the Rules as “Related Party Transactions” and which are not the subject of an exemption therefrom;
- b) transactions which management is not certain as to whether they fall within the ambits of the Rules as “Related Party Transactions” or where there is uncertainty as to whether any one or more exemptions should apply to the proposed transactions.

At the meeting convened for this purpose, the Audit Committee considers the proposed transaction and first determines whether it is a transaction that falls within the ambit of the applicable Rules and, if it so determines, then considers the merits of the proposed transaction.

In determining whether a transaction falls to be classified as a “Related Party Transaction”, the Audit Committee adopts a substance over form approach and assesses the transaction according to the specific circumstances and characteristics. In its evaluation of the proposed transaction, the Audit Committee is at all times guided by the best interests of the Company and its general body of shareholders taken as a whole. The Audit Committee reports to the Board on its findings and make its recommendations to the Board as to whether the transaction should be entered into in the first place and to make such further recommendations as to any matters that, in the opinion of the Audit Committee need to be reviewed or improved in the proposed transaction or any of its terms to ensure that the best interests of the Company are properly safeguarded.

#### *Conflicts of interest*

Furthermore, the Audit Committee is vested with the task of ensuring that any potential conflicts of interest between the duties of the directors and their respective private interests or duties unrelated to the Company are resolved in the best interests of the Company.

#### *Terms of reference*

The terms of reference of the Audit Committee, approved by the Board, are modelled on the recommendations of the Rules.

### *Audit Committee Meetings*

During the financial year under review, the Audit Committee met four (4) times. The Audit Committee has a direct link to the Board and is represented by the Chairperson of the Audit Committee in all Board meetings.

| <b>Name</b>             | <b>Capacity</b>    | <b>Meetings attended</b> |
|-------------------------|--------------------|--------------------------|
| Ms Jacqueline Camilleri | Chairperson/member | 4                        |
| Dr Stephanie Fabri      | Member             | 4                        |
| Dr Otto Karasek         | Member             | 4                        |

### **Internal Control and Risk Management Systems**

The Board is ultimately responsible for the Company's system of internal controls and for reviewing its effectiveness, in accordance with Rule 5.97.4. The directors acknowledge that internal control systems are designed to manage, rather than eliminate, the risk of failure to achieve the Company's business objectives, and can only provide reasonable, not absolute, assurance against normal business risks.

Through the Audit Committee, the Board oversees the effectiveness of the Company's internal control systems. During the financial year under review, the Company maintained a system of internal controls that provided reasonable assurance regarding the effectiveness and efficiency of operations, including financial and operational controls and compliance with applicable laws and regulations. The Company has established processes for identifying, evaluating, and managing significant risks.

In accordance with its terms of reference and as disclosed in the Company's prospectus dated 26 February 2026 (the "**Prospectus**"), the Audit Committee has been tasked with monitoring, on an annual basis, the Group's adherence with the following threshold throughout the term of the bonds issued under the Prospectus:

Cash Ratio (cash and cash equivalents / current liabilities of the Group): to remain above 0.4 throughout the term of the bonds issued under the Prospectus.

The Audit Committee monitored the Group's adherence with the above threshold during the financial year ended 30 June 2026. Based on the audited financial information for FY 2026, the Board confirms that the Group adhered to the Cash Ratio threshold of above 0.4 during the financial period under review.

### **Principle 5: Board Meetings**

The directors meet regularly to dispatch the business of the Company. The directors are notified in advance of forthcoming meetings so as to provide adequate time to directors to prepare themselves for such meetings. Notification thereof, together with the issue of an agenda and supporting board papers, which are circulated in advance of the meeting, is carried out by the company secretary of the Company. Minutes are prepared during Board meetings recording faithfully attendance, and resolutions taken at the meeting. These minutes are subsequently circulated to all directors as soon as practicable after the meeting. The Chairman of the Board, Dr Christian Gernert, ensures that all relevant issues are on the agenda supported by all available information, whilst encouraging the presentation of views pertinent to the subject matter and giving all directors every opportunity to contribute to relevant issues on the agenda. The Board strikes a balance between long-term strategic and short-term performance issues.

The Board meets as often and frequently as required in line with the nature and demands of the business of the Company. During the year under review the Board met four (4) times to discuss, inter alia, the operations and strategy of the Company.

| <b>Name</b>             | <b>Capacity</b>           | <b>Meetings attended</b> |
|-------------------------|---------------------------|--------------------------|
| Dr Christian Gernert    | Executive (Chairman)      | 4                        |
| Mr Johann Schembri      | Executive                 | 4                        |
| Mr Franco De Gabriele   | Executive                 | 4                        |
| Ms Jacqueline Camilleri | Independent non-executive | 3                        |
| Dr Stephanie Fabri      | Independent non-executive | 4                        |
| Dr Otto Karasek         | Independent non-executive | 4                        |

The Board believes that it fully complies with the requirements of this principle and the relative Code provisions.

### **Principle 6: Information and Professional Development**

The Board believes that Principle Six has been effectively met during the period under review as follows:

- a) The Company ensures that the directors are at all times provided with the precise, timely, clear and relevant information necessary to enable them to effectively contribute to Board decisions.
- b) The Company is committed to providing adequate and detailed induction training to the directors who are newly appointed to the Board, which covers to the extent necessary the Company's organisation and activities and his responsibilities as a director, and also to those entrusted with the management of the Company, and other employees as the case may be.
- c) The Company ensures that the directors have access to independent professional advice, at the Company's expense where they deem necessary in order to discharge their responsibilities as directors.
- d) All directors have access to the advice and services of the company secretary of the Company, who is responsible to the Board for ensuring that Board procedures are complied with.

The CEO is responsible for the recruitment and appointment of senior management, and, in the performance of his role as CEO, ensures that the following systems are in place:

- a system providing for the development and training of management and employees generally so that the Company remains competitive;
- a system to provide additional training for individual directors where necessary;
- a system to monitor management and staff morale; and
- a system to establish a succession plan for senior management.

### **Principle 9: Relations with Shareholders and the Market**

The Company is committed to maintaining an open dialogue with its bondholders and investors and to providing the market with regular, timely, accurate, comparable, and comprehensive information. The Company's statutory obligations in terms of the Companies Act, Cap. 386 and the Rules are observed, including the holding of the annual general meeting and the exercise of shareholders' rights as provided for in the Rules.

In accordance with its statutory obligations under the Companies Act, Cap. 386 and the Capital Markets Rules, the Company holds an annual general meeting at which the annual report and financial statements, the election of directors and approval of directors' fees, the appointment of auditors, and the authorisation of directors to set the auditor's fees, as well as any special business, are proposed and approved. The Company is committed to addressing the information needs of its bondholders and investors by providing the market with regular, timely, accurate, comparable, and comprehensive information.

### **Principle 11: Conflicts of Interest**

The directors recognise their responsibility to act in the best interests of the Company and all its shareholders at all times. Directors are required to avoid situations in which their personal interests may conflict with those of the Company or its shareholders. In accordance with Article 145 of the Companies Act, Cap. 386 and Article 55 of the Company's Articles of Association, any director who has a direct or indirect interest in a contract, proposed contract, or other arrangement with the Company is required to declare the nature of that interest to the Board at the earliest opportunity. Such director is not entitled to vote on matters relating to the relevant transaction, and only directors who are free from any conflict of interest may participate in the Board's consideration of the matter. The Board considers that these procedures ensure compliance with both the letter and spirit of Principle Eleven of the Code of Principles of Good Corporate Governance.

### **Principle 12: Corporate Social Responsibility**

The Company is committed to upholding sound principles of corporate social responsibility in its management practices. It strives to maintain high standards of ethical conduct and to contribute positively to the well-being of its employees, their families, stakeholders, the local community, and society at large.

Towards the objective of implementing a more sustainable business model, the Board is committed towards the continued assessment of existing measures and policies to address social and governance issues such as responsible gaming and player protection, ethical marketing, customer data integrity, cyber security, anti-corruption and anti-money laundering.

The Board is mindful of the environment and its responsibility within the community in which it operates. In carrying on its business, the Company is committed to preserving the environment and continuously reviews its policies aimed at respecting environmental considerations and encouraging social responsibility and accountability. During the period under review, the Company pursued its corporate social responsibility objectives by supporting and contributing to several charitable causes.

## **B. NON-COMPLIANCE WITH THE CODE**

In conclusion, the Board considers that the Company has generally been in compliance with the principles of the Code throughout the period under review as befits a company of this size and nature.

Non-compliance with the principles of the Code and the reasons therefore have been identified below.

### **Principle 4: Succession Policy**

The Board has not formally developed a succession policy for the future composition of the Board as recommended by Code provision 4.2.7. In practice, however, the Board is actively engaged in succession planning and involved in ensuring that appropriate schemes to recruit, retain and motivate employees and senior management are in place.

### **Principle 7: Evaluation of the Board's Performance**

Under the present circumstances, the Board does not consider it necessary to appoint a committee to carry out a performance evaluation of its role, as the board's performance is always under the scrutiny of the Board itself (half of which is composed of independent non-executive directors), the Company's shareholders, the market and all of the rules and regulations to which the Company is subject as a company with its securities listed on a regulated market. Whilst the requirement under Code provision 7.1 might be useful in the context of larger companies having a more complex set-up and a larger Board, the size of the Board is such that it should enable it to evaluate its own performance without the requirement of setting up an ad-hoc committee for this purpose. The Board shall retain this matter under review over the coming year.

### **Principle 8: Committees**

Under the present circumstances, the Board does not consider it necessary to appoint a remuneration committee and a nomination committee as decisions on these matters are taken at shareholder level.

The Board has not appointed a remuneration committee in line with Code provision 8.A.1. The Board believes that the size of the Company and the Board itself does not warrant the setting up of an ad-hoc committee to establish the remuneration packages of individual directors, and relies on the constant scrutiny of the Board itself, the Company's shareholders, the market, and the rules by which the Company is regulated as a listed company. The Board intends to keep under review the utility and possible benefits of having a remuneration committee in due course.

The Board has not appointed a nomination committee in line with Code provision 8.B.1 as appointments to the Board are determined by the shareholders of the Company in accordance with the appointment process set out in the Company's memorandum and articles of association. The Company considers that the members of the Board possess the level of skill, knowledge and experience expected in terms of the Code. Notwithstanding this, the Board intends to keep under review the matter relating to the setting up of a nomination committee.

### **Principle 9: Minority Shareholders**

Under the present circumstances, the Board does not consider that Code provisions 9.2 – 9.4 apply to the Company given the current shareholding structure.

### **Principle 10: Institutional Shareholders**

This principle is not applicable since the Company has no institutional shareholders.

### **Statement of Responsibility and Approval**

The directors confirm that, to the best of their knowledge, this corporate governance statement has been prepared in accordance with the requirements of the Capital Markets Rules and fairly reflects the Company's compliance with the Code of Principles of Good Corporate Governance. The auditors have reported on the contents of this statement in accordance with Rule 5.98 and 5.100.

Signed on behalf of the Board of Directors on 29 September 2026 by Dr Christian Gernert (Chairman) and Mr Johann Schembri (Director) as per the Directors' Declaration on ESEF Annual Financial Report submitted in conjunction with the Annual Financial Report.

## Statements of comprehensive income

|                                             | Notes      | The Group          |                   | The Company      |                  |
|---------------------------------------------|------------|--------------------|-------------------|------------------|------------------|
|                                             |            | 2026               | 2025              | 2026             | 2025             |
|                                             |            | €                  | €                 | €                | €                |
| Turnover                                    |            | 1,171,807,730      | 919,989,035       | -                | -                |
| Player winnings                             |            | (1,060,143,176)    | (825,461,827)     | -                | -                |
| Bonus costs                                 |            | (791,298)          | (814,646)         | -                | -                |
| <b>Gross Gaming Revenue</b>                 |            | <b>110,873,256</b> | <b>93,712,562</b> | -                | -                |
| Other revenue                               |            | 659,913            | 536,887           | -                | -                |
| <b>Total revenue</b>                        | 6          | <b>111,533,169</b> | <b>94,249,449</b> | -                | -                |
| Other income                                | 7          | 856,957            | 781,028           | -                | -                |
| Staff costs                                 | 8          | (15,212,148)       | (13,817,170)      | (54,000)         | (54,000)         |
| Gaming tax                                  |            | (33,177,632)       | (28,777,222)      | -                | -                |
| Other operating expenses                    |            | (24,014,825)       | (20,927,459)      | (140,977)        | (107,818)        |
| Depreciation and amortisation               | 13, 14, 15 | (20,562,060)       | (19,651,477)      | -                | -                |
| <b>Operating profit (loss)</b>              | 9          | <b>19,423,461</b>  | <b>11,857,149</b> | <b>(194,977)</b> | <b>(161,818)</b> |
| Dividend income                             |            | -                  | -                 | 9,691,735        | 1,846,154        |
| Finance income                              | 10         | 48,503             | -                 | 3,419,092        | 3,207,972        |
| Finance costs                               | 10         | (5,040,824)        | (4,713,778)       | (3,395,125)      | (2,964,639)      |
| <b>Profit before tax</b>                    |            | <b>14,431,140</b>  | <b>7,143,371</b>  | <b>9,520,725</b> | <b>1,927,669</b> |
| Tax expense                                 | 11         | (5,737,109)        | (2,684,766)       | (131,881)        | (674,684)        |
| <b>Profit for the year</b>                  |            | <b>8,694,031</b>   | <b>4,458,605</b>  | <b>9,388,844</b> | <b>1,252,985</b> |
| <b>Profit for the year attributable to:</b> |            |                    |                   |                  |                  |
| Non-controlling interest                    |            | 1,697,487          | 1,287,148         | -                | -                |
| Owners of the parent                        |            | 6,996,544          | 3,171,457         | 9,388,844        | 1,252,985        |
|                                             |            | <b>8,694,031</b>   | <b>4,458,605</b>  | <b>9,388,844</b> | <b>1,252,985</b> |

## Statements of financial position

|                                 | Notes | The Group          |                    | The Company        |                    |
|---------------------------------|-------|--------------------|--------------------|--------------------|--------------------|
|                                 |       | 2026               | 2025               | 2026               | 2025               |
|                                 |       | €                  | €                  | €                  | €                  |
| <b>Assets</b>                   |       |                    |                    |                    |                    |
| <b>Non-current</b>              |       |                    |                    |                    |                    |
| Goodwill                        | 12    | 61,595,544         | 61,595,544         | -                  | -                  |
| Intangible assets               | 13    | 98,320,938         | 109,777,133        | -                  | -                  |
| Property, plant and equipment   | 14    | 21,878,520         | 25,872,735         | -                  | -                  |
| Right-of-use assets             | 15    | 43,914,822         | 42,631,839         | -                  | -                  |
| Investment properties           | 16    | 5,320,140          | 5,526,635          | -                  | -                  |
| Investment in subsidiaries      | 17    | -                  | -                  | 104,172,286        | 101,399,682        |
| Loans receivable                | 18    | 400,000            | -                  | 77,686,011         | 54,096,199         |
| Other assets                    | 19    | 2,164,405          | 2,334,765          | -                  | -                  |
| Deferred tax asset              | 20    | 52,330             | 375,664            | -                  | -                  |
| Trade and other receivables     | 22    | 40,000             | -                  | 2,660,185          | 30,211,341         |
| <b>Total non-current assets</b> |       | <b>233,686,699</b> | <b>248,114,315</b> | <b>184,518,482</b> | <b>185,707,222</b> |
| <b>Current</b>                  |       |                    |                    |                    |                    |
| Non-current asset held for sale | 14    | 4,298,927          | -                  | -                  | -                  |
| Loans receivable                | 18    | -                  | -                  | 5,810,188          | 5,551,534          |
| Inventories                     | 21    | 751,988            | 815,971            | -                  | -                  |
| Trade and other receivables     | 22    | 3,662,769          | 3,342,945          | 1,471,398          | 65,324             |
| Cash and cash equivalents       | 23    | 44,334,025         | 7,033,757          | 11,362             | 1,683              |
| Current tax receivable          |       | 44,831             | 17,764             | 74,959             | 15,105             |
| <b>Total current assets</b>     |       | <b>53,092,540</b>  | <b>11,210,437</b>  | <b>7,367,907</b>   | <b>5,633,646</b>   |
| <b>Total assets</b>             |       | <b>286,779,239</b> | <b>259,324,752</b> | <b>191,886,389</b> | <b>191,340,868</b> |

## Statements of financial position – continued

|                                        | Notes | The Group          |                    | The Company        |                    |
|----------------------------------------|-------|--------------------|--------------------|--------------------|--------------------|
|                                        |       | 2026               | 2025               | 2026               | 2025               |
|                                        |       | €                  | €                  | €                  | €                  |
| <b>Equity</b>                          |       |                    |                    |                    |                    |
| Share capital                          | 24    | 80,000,001         | 80,000,001         | 80,000,001         | 80,000,001         |
| Retained earnings (accumulated losses) |       | 2,504,689          | (2,555,855)        | 7,640,023          | 187,179            |
|                                        |       | <b>82,504,690</b>  | <b>77,444,146</b>  | <b>87,640,024</b>  | <b>80,187,180</b>  |
| Non-controlling interest               |       | 9,266,937          | 8,319,450          | -                  | -                  |
| <b>Total equity</b>                    |       | <b>91,771,627</b>  | <b>85,763,596</b>  | <b>87,640,024</b>  | <b>80,187,180</b>  |
| <b>Liabilities</b>                     |       |                    |                    |                    |                    |
| <b>Non-current</b>                     |       |                    |                    |                    |                    |
| Bank borrowings                        | 25    | 22,107,746         | 28,195,827         | 19,028,759         | 24,820,742         |
| Debt securities in issue               | 26    | 59,141,228         | 29,676,848         | 59,141,228         | 29,676,848         |
| Other loans payable                    | 27    | -                  | -                  | 18,655,059         | -                  |
| Trade and other payables               | 28    | 40,074,925         | 49,848,125         | 715,000            | 50,771,535         |
| Deferred tax liability                 | 20    | 16,253,666         | 10,813,499         | -                  | -                  |
| Lease liabilities                      | 15    | 28,601,685         | 26,577,227         | -                  | -                  |
| <b>Total non-current liabilities</b>   |       | <b>166,179,250</b> | <b>145,111,526</b> | <b>97,540,046</b>  | <b>105,269,125</b> |
| <b>Current</b>                         |       |                    |                    |                    |                    |
| Bank borrowings                        | 25    | 7,302,431          | 8,217,764          | 5,831,976          | 5,572,353          |
| Trade and other payables               | 28    | 19,847,556         | 18,744,156         | 874,343            | 312,210            |
| Lease liabilities                      | 15    | 1,678,375          | 1,487,710          | -                  | -                  |
| <b>Total current liabilities</b>       |       | <b>28,828,362</b>  | <b>28,449,630</b>  | <b>6,706,319</b>   | <b>5,884,563</b>   |
| <b>Total liabilities</b>               |       | <b>195,007,612</b> | <b>173,561,156</b> | <b>104,246,365</b> | <b>111,153,688</b> |
| <b>Total equity and liabilities</b>    |       | <b>286,779,239</b> | <b>259,324,752</b> | <b>191,886,389</b> | <b>191,340,868</b> |

The financial statements were approved and authorised for issue by the Board of Directors on 29 September 2026. The financial statements were signed on behalf of the Board of Directors by Dr Christian Gernert (Chairman) and Mr Johann Schembri (Director) as per the Directors' Declaration on ESEF Annual Financial Report submitted in conjunction with the Annual Financial Report.

## Statements of changes in equity

|                                                        | Share<br>capital<br>€ | Retained<br>earnings<br>(accumulated<br>losses)<br>€ | Attributable to<br>the owners of<br>the parent<br>€ | Non-<br>controlling<br>interest<br>€ | Total<br>equity<br>€ |
|--------------------------------------------------------|-----------------------|------------------------------------------------------|-----------------------------------------------------|--------------------------------------|----------------------|
| <b>The Group</b>                                       |                       |                                                      |                                                     |                                      |                      |
| At 1 July 2025                                         | 80,000,001            | (2,555,855)                                          | 77,444,146                                          | 8,319,450                            | 85,763,596           |
| Issue of share capital to non-<br>controlling interest | -                     | -                                                    | -                                                   | 450,000                              | 450,000              |
| Dividends                                              | -                     | (1,936,000)                                          | (1,936,000)                                         | (1,200,000)                          | (3,136,000)          |
| Profit for the year                                    | -                     | 6,996,544                                            | 6,996,544                                           | 1,697,487                            | 8,694,031            |
| <b>At 30 June 2026</b>                                 | <b>80,000,001</b>     | <b>2,504,689</b>                                     | <b>82,504,690</b>                                   | <b>9,266,937</b>                     | <b>91,771,627</b>    |
| At 1 July 2024                                         | 80,000,001            | (4,643,312)                                          | 75,356,689                                          | 7,782,302                            | 83,138,991           |
| Issue of share capital to non-<br>controlling interest | -                     | -                                                    | -                                                   | 50,000                               | 50,000               |
| Dividends                                              | -                     | (1,084,000)                                          | (1,084,000)                                         | (800,000)                            | (1,884,000)          |
| Profit for the year                                    | -                     | 3,171,457                                            | 3,171,457                                           | 1,287,148                            | 4,458,605            |
| <b>At 30 June 2025</b>                                 | <b>80,000,001</b>     | <b>(2,555,855)</b>                                   | <b>77,444,146</b>                                   | <b>8,319,450</b>                     | <b>85,763,596</b>    |
| <b>The Company</b>                                     |                       |                                                      |                                                     |                                      |                      |
| At 1 July 2025                                         | 80,000,001            | 187,179                                              | 80,187,180                                          | -                                    | 80,187,180           |
| Dividends                                              | -                     | (1,936,000)                                          | (1,936,000)                                         | -                                    | (1,936,000)          |
| Profit for the year                                    | -                     | 9,388,844                                            | 9,388,844                                           | -                                    | 9,388,844            |
| <b>At 30 June 2026</b>                                 | <b>80,000,001</b>     | <b>7,640,023</b>                                     | <b>87,640,024</b>                                   | <b>-</b>                             | <b>87,640,024</b>    |
| At 1 July 2024                                         | 80,000,001            | 18,194                                               | 80,018,195                                          | -                                    | 80,018,195           |
| Dividends                                              | -                     | (1,084,000)                                          | (1,084,000)                                         | -                                    | (1,084,000)          |
| Profit for the year                                    | -                     | 1,252,985                                            | 1,252,985                                           | -                                    | 1,252,985            |
| <b>At 30 June 2025</b>                                 | <b>80,000,001</b>     | <b>187,179</b>                                       | <b>80,187,180</b>                                   | <b>-</b>                             | <b>80,187,180</b>    |

Retained earnings (accumulated losses) include all current year and prior year's results as disclosed in the statements of comprehensive income, net of dividend distributions.

## Statements of cash flows

|                                                     | Notes | The Group           |                     | The Company         |                    |
|-----------------------------------------------------|-------|---------------------|---------------------|---------------------|--------------------|
|                                                     |       | 2026                | 2025                | 2026                | 2025               |
|                                                     |       | €                   | €                   | €                   | €                  |
| <b>Operating activities</b>                         |       |                     |                     |                     |                    |
| Profit before tax                                   |       | 14,431,140          | 7,143,371           | 9,520,725           | 1,927,669          |
| Adjustments                                         | 29    | 25,810,931          | 24,328,024          | (9,715,702)         | (2,089,487)        |
| Net changes in working capital                      | 29    | (522,050)           | (3,101,842)         | 1,990,571           | 98,906             |
| Tax paid                                            |       | (675)               | -                   | -                   | -                  |
| <b>Net cash from (used in) operating activities</b> |       | <b>39,719,346</b>   | <b>28,369,553</b>   | <b>1,795,594</b>    | <b>(62,912)</b>    |
| <b>Investing activities</b>                         |       |                     |                     |                     |                    |
| Payments to acquire intangible assets               |       | (8,673,465)         | (9,207,992)         | -                   | -                  |
| Payments to acquire property, plant and equipment   |       | (6,111,341)         | (5,224,031)         | -                   | -                  |
| Payments to acquire investment properties           |       | (97,869)            | (1,859,689)         | -                   | -                  |
| Dividends received                                  |       | -                   | -                   | 1,836,000           | 1,164,000          |
| Payments to acquire shares in subsidiaries          |       | -                   | -                   | (200,000)           | (200,000)          |
| Repayment of loan advanced to subsidiaries          |       | -                   | -                   | 5,551,534           | 5,304,397          |
| Loan advanced to subsidiaries                       |       | -                   | -                   | (29,400,000)        | -                  |
| Loans advanced to other related party               |       | (400,000)           | -                   | -                   | -                  |
| Interest received                                   |       | 1,588               | -                   | 3,214,019           | 2,998,364          |
| <b>Net cash (used in) from investing activities</b> |       | <b>(15,281,087)</b> | <b>(16,291,712)</b> | <b>(18,998,447)</b> | <b>9,266,761</b>   |
| <b>Financing activities</b>                         |       |                     |                     |                     |                    |
| Dividends paid                                      |       | (2,316,000)         | (1,404,000)         | (1,836,000)         | (1,084,000)        |
| Issue of shares to non-controlling interest         |       | 450,000             | 50,000              | -                   | -                  |
| Net proceeds from issue of debt securities          |       | 29,362,444          | -                   | 29,362,444          | -                  |
| Net proceeds from bank borrowings                   |       | 5,147,828           | 2,709,400           | 4,000,000           | -                  |
| Repayment of bank borrowings                        |       | (12,191,235)        | (7,484,542)         | (9,572,353)         | (5,324,288)        |
| Repayment of lease liabilities                      |       | (1,562,022)         | (1,556,488)         | -                   | -                  |
| Repayment of amounts due to shareholder             |       | (1,895,212)         | -                   | (1,895,212)         | -                  |
| Interest paid on lease liabilities                  |       | (1,090,634)         | (1,045,025)         | -                   | -                  |
| Interest paid                                       |       | (3,043,160)         | (3,201,394)         | (2,846,347)         | (2,838,472)        |
| <b>Net cash from (used in) financing activities</b> |       | <b>12,862,009</b>   | <b>(11,932,049)</b> | <b>17,212,532</b>   | <b>(9,246,760)</b> |
| <b>Net change in cash and cash equivalents</b>      |       | <b>37,300,268</b>   | <b>145,792</b>      | <b>9,679</b>        | <b>(42,911)</b>    |
| Cash and cash equivalents, beginning of year        |       | 7,033,757           | 6,887,965           | 1,683               | 44,594             |
| <b>Cash and cash equivalents, end of year</b>       | 23    | <b>44,334,025</b>   | <b>7,033,757</b>    | <b>11,362</b>       | <b>1,683</b>       |

## Notes to the financial statements

### **1 Nature of operations**

The principal activities of IZI Finance p.l.c. and its subsidiaries (collectively referred to as ‘**the Group**’) include the operating and managing of the exclusive concession for the National Lottery of Malta, the operation and management of the Dragonara Casino, iGaming, intellectual property and property management.

### **2 General information and statement of compliance with International Financial Reporting Standards (IFRS)**

IZI Finance p.l.c. (‘**the Company**’), the Group’s parent company, is a public limited liability company incorporated and domiciled in Malta. It was registered with the Malta Business Registry on 30 December 2021. The address of the Company’s registered office, which is also its principal place of business, is, The Quad Central, Q3 Level 11, Triq L-Esportaturi, Zone 1, Central Business District, Birkirkara CBD 1040, Malta.

The Company forms part of the IZI Group of companies and its immediate parent company is IZI Group Limited (C 114519), a company incorporated in Malta on 19 January 2026 and having the same registered office as the Company.

On 24 February 2026, JGS Corporate Holdings Limited transferred its entire shareholding in the Company to IZI Group Limited. As a result, IZI Group Limited became the Company’s immediate parent company during the financial year.

IZI Group Limited is 95% owned by JGS Corporate Holdings Limited and 5% by Panther Gaming Ltd. JGS Corporate Holdings Limited, the ultimate parent company of the Group, draws up consolidated financial statements, available for public use, of which the Group forms part.

The financial statements of the Company and the consolidated financial statements of the Group have been prepared in accordance with IFRS as adopted by the European Union (EU), and in accordance with the Companies Act, Cap. 386.

### **3 Going concern**

The preparation of these financial statements is based on the going concern assumption. In assessing the appropriateness of this basis, the directors have considered the Group’s and the Company’s financial position, available liquidity, expected operating cash flows, financing arrangements and forecast obligations.

During the financial year ended 30 June 2026, the Group delivered a strong financial performance, with operating profit increasing to €19.4 million (2025: €11.9 million), profit before tax increasing to €14.4 million (2025: €7.1 million), and profit for the year reaching €8.7 million (2025: €4.5 million).

Operating cash flows remained robust, with net cash generated from operating activities increasing to €39.7 million (2025: €28.4 million), representing an increase of 40% over the prior year. This strong cash generation enabled the Group to continue investing significantly in its operations and future growth, with €6.1 million (2025: €5.2 million) invested in tangible fixed assets and €8.7 million (2025: €9.2 million) in intangible assets during the year.

The Group's liquidity position was further strengthened during the year through the successful issuance of the €30 million 5.5% Unsecured Bonds 2036, generating net proceeds of approximately €29.4 million. Consequently, the Group closed the financial year with cash and cash equivalents of €44.3 million (2025: €7.0 million), providing a strong financial base to support its ongoing operations, meet its financial obligations and fund future investment and growth opportunities.

At 30 June 2026, the Group reported a working capital surplus of €24.3 million (2025: deficit of €17.2 million), representing a significant improvement in its liquidity position compared with the prior year. At Company level, working capital similarly improved to a surplus of €661,588 (2025: deficit of €250,917).

The Group continues to benefit from adequate banking facilities and a consistent track record of generating positive operating cash flows, which, together with the bond proceeds, underpin its strong cash position at year-end.

Management has carried out a comprehensive assessment of the Group's and the Company's future outlook, including detailed cash flow projections for the twelve months ending 30 June 2027, together with all expected obligations, investments and capital expenditure. Budget forecasts and scenario analyses confirm that both the Group and the Company have sufficient resources to meet their obligations as they fall due. Accordingly, the directors are not aware of any material uncertainties that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. The Group has also remained in full compliance with all financial covenants under its financing arrangements throughout the year.

During the year under review, and as part of its continued focus on strengthening financial stability and supporting sustainable growth, the directors continued to actively manage the Group's liquidity and capital structure to ensure that internally generated cash flows and available financing resources are effectively deployed. The successful issuance of the €30 million 5.5% Unsecured Bonds 2036 has provided additional financial resources to support the Group's strategic investment programme, including the pursuit of identified international growth opportunities, in line with the internationalisation strategy set out in the Registration Document. The Group continues to actively manage the timing of cash flows, financing repayments and investment commitments in order to maintain appropriate levels of liquidity and financial flexibility. The Registration Document specifically envisages the capitalisation of the Group's international operations and the pursuit of targeted concessions predominantly in EU jurisdictions.

Furthermore, the Group continues to assess its asset portfolio and, where appropriate, identify non-core assets and investment properties that could potentially be disposed of should additional liquidity be required. This provides the Group with further financial flexibility and supports its ability to respond to future investment opportunities and funding requirements.

Moreover, the directors remain committed to further advancing the optimisation initiatives implemented in prior years, with a continued focus on sustaining and further enhancing EBITDA (refer to note 6.2 for its computation). The Group will continue to identify opportunities to improve operational efficiency, strengthen performance and optimise its cost base, including through the continued rationalisation of non-value-adding activities and more efficient deployment of resources. These ongoing initiatives are expected to further enhance cash flow generation and financial resilience, enabling both the Group and the Company to meet their financial obligations while supporting their longer-term growth and investment objectives.

Based on this assessment, the directors remain confident that it is appropriate to prepare the financial statements on a going concern basis. Accordingly, these financial statements do not include any adjustments that would be necessary should the Group's and the Company's ability to continue as a going concern not materialise.

## **4 New or revised Standards or Interpretations**

### **4.1 New standards adopted**

Some accounting pronouncements which have become effective from 1 January 2025 and have therefore been adopted do not have a significant impact on the Group's or the Company's financial results or position.

### **4.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Group and Company**

At the date of authorisation of these financial statements, several new, but not yet effective, Standards, amendments to existing Standards, and Interpretations have been published by the International Accounting Standards Board (IASB) or International Financial Reporting Interpretations Committee (IFRIC). None of these Standards or amendments to existing Standards have been adopted early by the Group and Company. Management anticipates that all pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement.

With the exception of IFRS 18 '*Presentation and Disclosure in Financial Statements*', these amendments are not expected to have a significant impact on the financial statements in the period of initial application and therefore no disclosures have been made. The Group and Company will assess the impact on disclosures from the initial adoption of IFRS 18. IFRS 18 will be effective for annual reporting periods beginning or after 1 January 2027.

## **5 Material accounting policies**

An entity should disclose its material accounting policies. Accounting policies are material and must be disclosed if they can be reasonably expected to influence the decisions of users of the financial statements.

Management has concluded that the disclosure of the Group's and Company's material accounting policies below are appropriate.

### **5.1 Overall considerations**

The financial statements have been prepared using the material accounting policies and measurement basis specified by IFRS as adopted by the EU for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

The significant accounting policies have been consistently applied by the Group and the Company and are consistent with those used by the subsidiaries in previous years.

The financial information has been prepared from the audited financial statements of the companies comprising the Group (see note 17).

### **5.2 Presentation of financial statements**

The consolidated financial statements are presented in accordance with IAS 1 *Presentation of Financial Statements (Revised 2007)*. The Group has elected to present the statements of comprehensive income.

### **5.3 Basis of consolidation**

The Group financial statements consolidate those of the Company and all of its subsidiary undertakings drawn up to 30 June 2026. Certain subsidiaries have a reporting date of 31 December. For consolidation purposes, their financial statements are adjusted using management accounts to align their reporting date to 30 June.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interest based on their respective ownership interests.

### **5.4 Business combination**

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of a) fair value of consideration transferred, b) the recognised amount of any non-controlling interest in the acquiree and c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in the statements of comprehensive income.

A merger of entities under common control is accounted for by applying the pooling of interests method (predecessor accounting). Under this method, the financial statement items of the combining entities for the period in which the combination occurs and for any comparative periods disclosed are included in the financial statements of the Company (the acquirer) as if they had been combined from the beginning of the earliest period presented. Any difference between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount recorded for the share capital acquired is adjusted against reserves.

## **5.5 Foreign currency translation**

### **Functional and presentation currency**

The financial statements are presented in euro (€), which is also the Group's and Company's functional currency.

### **Foreign currency transactions and balances**

Foreign currency transactions are translated into the functional currency of the Group using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in the statements of comprehensive income.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date).

## **5.6 Segment reporting**

The Group has four operating segments: casino and catering, retail gaming, online gaming and real estate. In identifying these operating segments, management generally follows the Group's service lines representing its main products (see note 6).

Each of these operating segments is managed separately as each requires different technologies, marketing approaches and other resources. All inter-segment transfers are carried out at arm's length prices based on prices charged to unrelated customers in stand-alone sales of identical goods or services.

For management purposes, the Group uses the same measurement policies as those used in its financial statements, except for certain items not included in determining the operating profit of the operating segments.

## **5.7 Revenue**

Revenue comprises revenue from gaming activities and food and beverages.

To determine whether to recognise revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer;
2. Identifying the performance obligation(s);
3. Determining the transaction price;
4. Allocating the transaction price to the performance obligation(s); and
5. Recognising revenue when/as performance obligation(s) are satisfied.

Revenue from contracts with customers is recognised when performance obligations have been satisfied and the consideration to which the Group expects to be entitled to can be measured reliably.

The Group evaluates all contractual arrangements it enters into and evaluates the nature of the promised goods or services, and rights and obligations under the arrangement, in determining the nature of its performance obligations. Where such performance obligations are capable of being distinct and are distinct in the context of the contract, the consideration the Group expects to be entitled under the arrangement is allocated to each performance obligation based on their relative stand-alone selling prices. Revenue is recognised at an amount equal to the transaction price allocated to the specific performance obligation when it is satisfied, either at a point in time or over time, as applicable, based on the pattern of transfer of control.

### **Gaming turnover and revenue**

The Group recognises turnover as the total wagered revenue, which is the total value of bets played by players, including bets made using credits won during the course of play.

The Group recognises revenues as the net win from gaming activities, which is the difference between bets placed less player winnings and bonuses.

The following specific recognition criteria must also be met before revenue is recognised:

#### **Lotteries**

Turnover from Lottery Games is recognised on the sale of tickets. Revenue from Lottery Games is recognised on the sale of tickets net of player winnings.

#### **Instant Lottery**

Turnover from Instant Lottery is recognised on the sale of cards. Revenue from Instant Lottery is recognised on the sale of cards net of player winnings.

#### **Gaming tables**

Turnover from gaming tables is the total value of bets played by players. Revenue from gaming tables is recognised on the closure of the individual tables and represents the increase or decrease in each table's position after the settlement of player winnings.

#### **Electronic Gaming Machines (EGMs) and Video Lottery Terminals (VLTs)**

Turnover is the total wagered which is the total value of bets played by players, including bets made using credits won during the course of play. Revenue from EGMs and VLTs is recognised when machine counts are carried out and represents the increase or decrease in each machine's position net of player winnings.

#### **Sports betting**

Turnover for Sports Betting represents the total value of bets played by players. Revenue from Sports Betting is recognised on gains and losses in respect of bets placed on pre-match live sporting events, net of player winnings and promotional bonuses.

#### **Historical Horse Racing (HHR)**

Revenue from HHR machines is recognised when the outcome of each wagering transaction is determined, and the Group's performance obligation is fulfilled. This occurs at the completion of each game play, when the player's wager is resolved, and the Group is entitled to its portion of the net win.

### **Food and beverage revenue**

Revenue from the sale of food and beverages is recognised when the food and beverage is consumed by the customer.

### **Finance income**

Finance income is accrued on a timely basis, by reference to the principle outstanding and at the effective interest rate applicable, which is the rate that discounts the estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount.

### **Dividend income**

Dividend income is recognised when the shareholder's right to receive payment is established and provided that it is probable that economic benefits will flow to the Company, and the amount of income can be measured reliably.

## **5.8 Other operating expenses**

Other operating expenses are recognised in the statements of comprehensive income upon utilisation of the service or at the date of their origin.

## **5.9 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and are reported in 'finance costs'.

## **5.10 Employee benefits**

Contributions toward the state pension in accordance with local legislation are recognised in the statements of comprehensive income when they are due.

## **5.11 Goodwill**

Goodwill arising in a business combination that is accounted for using the acquisition method is recognised as an asset at the date that control is acquired. Goodwill is measured as the excess of (a) the aggregate of: (i) the consideration transferred; (ii) the amount of any non-controlling interests in the acquiree; and (iii) in a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree; and (b) the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Any gain on a bargain purchase, after reassessment, is recognised immediately in profit or loss. Refer to note 5.16 for a description of impairment testing procedures.

## **5.12 Intangible assets**

Intangible assets include the concession fee, acquired software licences, trademark and domain, key money, work-in-progress and internally-generated website. They are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives, as these assets are considered finite. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing as described in note 5.16. The following rates are applied:

|                | %     |
|----------------|-------|
| Concession fee | 10    |
| Software       | 15-25 |
| Key money      | 10    |
| Website        | 10    |

Concession fee is written off to the statements of comprehensive income by equal annual instalments over the term of the concession.

Acquired software is capitalised on the basis of the costs incurred to acquire and install the specific software.

Costs associated with maintaining computer software are expensed as incurred.

A trademark acquired in a business combination that qualifies for separate recognition is recognised as an intangible asset at its fair value at the acquisition date. The trademark is assessed to have an indefinite useful life.

Intangible assets with indefinite useful lives are not amortised. They are tested for impairment at least annually, or more frequently if there is an indication that the asset may be impaired. The useful life of these assets is reviewed annually to assess whether the indefinite-life assessment remains supportable.

Key money represents deposits given to lessors for leased out properties.

Internally-generated website is capitalised on the basis of the costs incurred to create the website.

Intangible assets are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Gains or losses arising from derecognition represent the difference between the net disposal proceeds, if any, and the carrying amount, and are included in profit or loss in the period of derecognition.

### **5.13 Property, plant and equipment**

Items of property, plant and equipment, except for land, are carried at acquisition cost less subsequent depreciation and impairment losses.

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of property, plant and equipment as follows:

|                                             | %         |
|---------------------------------------------|-----------|
| Gaming equipment                            | 10 – 20   |
| Office and computer equipment               | 15 – 33   |
| Furniture, electrical and sanitary fittings | 12.5 – 33 |
| Plant and machinery                         | 20        |
| Motor vehicles                              | 20        |
| Others                                      | 20 – 33   |

In the case of leasehold improvements, expected useful lives are 10 years or over the term of the lease, if shorter.

Land and buildings owned is stated at revalued amounts. Revalued amounts are fair values based on appraisals prepared by external or internal professional valuers once every two years or more frequently if market factors indicate a material change in fair value. Any revaluation surplus is recognised in other comprehensive income and credited to the revaluation reserve in equity. To the extent that any revaluation decrease or impairment loss has previously been recognised in profit or loss, a revaluation increase is credited to profit or loss with the remaining part of the increase recognised in other comprehensive income. Downward revaluations of land are recognised upon appraisal or impairment testing, with the decrease being charged to other comprehensive income to the extent of any revaluation surplus in equity relating to this asset and any remaining decrease recognised in profit or loss. Any revaluation surplus remaining in equity on disposal of the asset is transferred to retained earnings.

As land does not have a finite useful life, related carrying amounts are not depreciated.

Material residual value estimates and estimates of useful life are updated as required, but at least annually, whether or not the asset is revalued.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in the statements of comprehensive income within ‘other income’ or ‘other operating expenses’.

### **5.14 Investment properties**

Investment properties are properties held to earn rentals or for capital appreciation, or both. Investment properties are recognised as assets when it is probable that the future economic benefits that are associated with the properties will flow to the Group, and the cost of the property can be reliably measured. Investment properties are initially measured at cost, including transaction costs.

Subsequent to initial recognition, investment properties are measured at fair value. Fair value reflects market conditions at the end of the reporting period and is determined periodically by internal professional valuers with sufficient experience in respect of both the location and the nature of the investment properties, supported by observable market evidence.

Gains or losses arising from changes in the fair value of investment properties are recognised in profit or loss in the period in which they arise. Rental income and operating expenses from investment properties are reported within 'other revenue' and 'other operating expenses', respectively. Change in accounting policy will be applied prospectively.

#### **5.15 Non-current asset held for sale**

Non-current asset classified as held for sale is presented separately and measured at the lower of its carrying amount immediately prior to its classification as held for sale and its fair value less costs to sell. Once classified as held for sale, the asset is not subject to depreciation or amortisation.

#### **5.16 Impairment of goodwill, intangible assets, right-of-use assets and property, plant and equipment**

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

All individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the greater of its fair value less costs to sell and its value in use. To determine the value in use, the Group's management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. Discount factors are determined individually for each cash-generating unit and reflect their respective risk profiles as assessed by the Group's management.

Impairment losses are recognised immediately in the statements of comprehensive income. Impairment losses for cash-generating units are charged pro-rata to the assets in the cash-generating unit. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment charge that has been recognised is reversed if the cash-generating unit's recoverable amount exceeds its carrying amount.

#### **5.17 Leases**

##### **The Group as a lessee**

The Group makes the use of leasing arrangements principally for its land-based casino, retail shops and office space. The rental contracts for offices are typically negotiated for terms of between 3 and 20 years and some of these have extension terms. Lease terms for office fixtures and equipment and motor vehicles have lease terms of between 6 months and 6 years without any extension terms. The Group does not enter into sale and leaseback arrangements. All the leases are negotiated on an individual basis and contain a wide variety of different terms and conditions such as purchase options and escalation clauses.

The Group considers whether a contract is or contains a lease. A lease is defined as ‘a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration’. To apply this definition the Group assesses whether the contract meets three key evaluations which are, whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assesses whether it has the right to direct ‘how and for what purpose’ the asset is used throughout the period of use.

### **Measurement and recognition of leases as a lessee**

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the statements of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the commencement date (net of any incentives received).

Subsequent to initial measurement, right-of-use assets of emphyteutic deed are stated at revalued amounts. Revalued amounts are fair values based on appraisals prepared by external professional valuers annually or more frequently if market factors indicate a material change in fair value. Any revaluation surplus is recognised in other comprehensive income and credited to the revaluation reserve in equity. To the extent that any revaluation decrease or impairment loss (note 5.16) has previously been recognised in profit or loss, a revaluation increase is credited to profit or loss with the remaining part of the increase recognised in other comprehensive income. Downward revaluations of right-of-use assets are recognised upon appraisal or impairment testing, with the decrease being charged to other comprehensive income to the extent of any revaluation surplus in equity relating to that asset and any remaining decrease recognised in profit or loss. Any revaluation surplus remaining in equity on disposal of the asset is transferred to retained earnings.

The Group depreciates its right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

At lease commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group’s incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in-substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the lease liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

On the statements of financial position, right-of-use assets and lease liabilities have been presented separately.

### **Finance lease**

Management applies judgment in considering the substance of a lease agreement and whether it transfers substantially all the risks and rewards incidental to ownership of the leased asset. Key factors considered include the length of the lease term in relation to the economic life of the asset, the present value of the minimum lease payments in relation to the asset's value and whether the Group obtains ownership of the asset at the end of the lease term.

For leases of land and buildings, the minimum lease payments are first allocated to each component based on the relative fair values of the respective lease interests. Each component is then evaluated separately for possible treatment as a finance lease, taking into consideration the fact that land normally has an indefinite useful life.

#### **Finance lease as lessee**

Leases of motor vehicles where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are classified at the lease's inception at the fair value of the leased property or, if lower, the present value of minimum lease payments. The corresponding rental obligations, net of finance lease charges, are included in other short-term and long-term trade and other payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The motor vehicles or property acquired under finance leases are depreciated over the assets' useful lives or over the shorter of the assets' useful lives and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

### **5.18 Investment in subsidiaries**

Investment in subsidiaries is included in the Company's statement of financial position at cost less any impairment loss that may have arisen. Income from investment in subsidiaries is recognised only to the extent of distributions received by the Company from post-acquisition profits. Distributions received in excess of such profits are regarded as a recovery of the investment and are recognised as a reduction of the cost of the investment.

At each reporting date, the Company reviews the carrying amount of its investment in subsidiaries to determine whether there is any indication of impairment and, if any such indication exists, the recoverable amount of the investments is estimated. An impairment loss is the amount by which the carrying amount of an investment exceeds its recoverable amount. The recoverable amount is the higher of fair value less costs to sell and value in use. An impairment loss that has been previously recognised is reversed if the carrying amount of the investment exceeds its recoverable amount. An impairment loss is reversed only to the extent that the carrying amount of the investment does not exceed the carrying amount that would have been determined if no impairment loss had been previously recognised. Impairment losses and reversals are recognised immediately in the statement of comprehensive income.

### **5.19 Inventories**

Inventories are stated at the lower of cost and net realisable value. Costs of ordinarily interchangeable items are assigned using weighted average cost formula. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

### **5.20 Financial instruments**

#### **Recognition and derecognition**

Financial assets and financial liabilities are recognised when the Group and the Company become a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

### **Classification and initial measurement of financial assets**

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets are classified into the following categories:

- amortised cost;
- fair value through profit or loss (FVTPL); or
- fair value through other comprehensive income (FVOCI).

The Group and the Company do not have any financial assets categorised as FVTPL and FVOCI in the periods presented.

The classification is determined by both:

- the company's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in the statements of comprehensive income are presented within 'finance income' or 'finance costs'.

### **Subsequent measurement of financial assets**

#### *Financial assets at amortised cost*

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's and the Company's cash and cash equivalents, loans receivable and trade and other receivables fall into this category of financial instruments.

### **Impairment of financial assets**

IFRS 9's impairment requirements use forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. Instruments within the scope of the new requirements include loans and other debt-type financial assets measured at amortised cost, trade receivables (if any) and contract assets recognised and measured under IFRS 15, where applicable.

The Group and Company consider a broad range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1'); and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

### **Trade and other receivables**

The Group and Company make use of a simplified approach in accounting for trade and other receivables and record the loss allowance as lifetime expected credit losses. These are expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group and Company use their historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Group and Company assess the impairment of trade receivables on a collective basis as they possess share credit risk characteristics.

### **Classification and measurement of financial liabilities**

The Group's and Company's financial liabilities include bank borrowings, debt securities in issue, other loans payable, lease liabilities and trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group and Company designates a financial liability at fair value through profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in the statements of comprehensive income are included within 'finance costs' or 'finance income'.

### **Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the statements of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

## **5.21 Cash and cash equivalents**

For the purposes of the statements of cash flows, cash and cash equivalents comprise cash in hand and at bank.

## **5.22 Equity and reserves**

Share capital represents the nominal value of shares that have been issued.

Retained earnings (accumulated losses) include current and prior period results as disclosed in the statements of comprehensive income net of dividend distributions.

### **5.23 Income taxes**

Tax expense recognised in the statements of comprehensive income comprises the sum of deferred tax and current tax not recognised directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided those rates are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income. This is assessed based on the Group's forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

### **5.24 Provisions and contingent liabilities**

Provisions are recognised when present obligations as a result of a past event will probably lead to an outflow of economic resources from the Group and Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events, for example, product warranties granted, legal disputes or onerous contracts. Restructuring provisions are recognised only if a detailed formal plan for the restructuring has been developed and implemented, or management has at least announced the plan's main features to those affected by it. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

## **5.25 Significant management judgement in applying accounting policies and estimation uncertainty**

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Use of available information and application of judgement are inherent in making estimates. Actual results in the future could differ from such estimates and the differences may be material to the financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

Except as disclosed below, in the opinion of the directors, the accounting estimates and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1 (revised).

### **Significant management judgements**

The following are significant management judgements made in applying the accounting policies of the Group and the Company that have the most significant effect on the financial statements.

#### **Capitalisation of internally developed website**

Distinguishing the research and development phases of a new customised website project and determining whether the recognition requirements for the capitalisation of development costs are met requires judgement. After capitalisation, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired.

#### **Determining whether an arrangement contains a lease**

The Group uses its judgement in determining whether an arrangement contains a lease, based on the substance of the arrangement and makes assessment of whether it is dependent on the use of a specific asset or assets, conveys a right to use the asset and transfers substantially all the risks and rewards incidental to ownership to/from the Group.

In the opinion of the directors, the accounting and estimates made in the course of preparing these consolidated financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1 (revised).

#### **Recognition of deferred tax asset**

The assessment of the probability of future taxable income in which deferred tax asset can be utilised is based on the Group's latest approved budget forecast, which is adjusted for significant non-taxable income and expenses and specific limits to use any unused tax loss or credit. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, that deferred tax asset is usually recognised in full.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

### **Estimation uncertainty**

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

#### **Useful lives of depreciable assets**

Management reviews its estimate of useful lives of depreciable assets at each reporting date based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain plant and equipment.

#### **Leases - Estimating the incremental borrowing rate**

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the entity's stand-alone credit rating).

#### **Impairment of intangible assets including goodwill, tangible assets and right-of-use assets at fair value**

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows (see note 5.16). In the process of measuring expected future cash flows management makes assumptions about future operating results. These assumptions relate to future events and circumstances. The actual results may vary, and may cause significant adjustments to the Group's assets within the next financial year.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

The Group tests goodwill and intangible assets with an indefinite useful life annually for impairment or more frequently if there are indications that goodwill or intangible assets might be impaired. Determining whether the carrying amounts of these assets can be realised requires an estimation of the recoverable amount of the cash-generating units. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

Goodwill arising on a business combination is allocated to the cash-generating units ("CGUs") that are expected to benefit from that business combination.

Furthermore, following an in-depth review of the projections, management opted to include an execution risk premium (based on their professional judgement) to mitigate the current forecasting uncertainty and to obtain added comfort that the carrying value of the intangible assets is indeed recoverable.

For further details, refer to note 12 of these financial statements.

#### *CGUs – Casino, Retail and Online Gaming*

The recoverable amounts of the CGUs are determined from their value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period. The directors estimate discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

The assessment of recoverability of the carrying amount of goodwill and intangible assets includes:

- forecasted cash flow projections for the next ten years and projection of terminal value using the perpetuity method except for Dragonara Gaming Limited where cash flows were forecasted until the end of the sub emphyteusis;
- growth rates to perpetuity of 2.0% (2025: 2.0%); and
- use of 8.5%-8.6% (2025: 9%-11.3%) (pre-tax) to discount the projected cash flows to net present values.

Based on the above assessment, the directors expect the carrying amount of goodwill and intangible assets with an indefinite useful life to be recoverable.

#### *CGU – Property holding entities*

The recoverable amount of the property which is expected to generate rental revenue is determined from the value in use calculation. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period. The directors estimate discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

The assessment of recoverability of the carrying amount of the Group's goodwill and the investments held by the Company includes:

- forecasted cash flow projections for the next ten years and projection of terminal value using the perpetuity method;
- growth rates to perpetuity of 2.0% (2025: 2.0%);
- use of 8.5% (2025: 8.7%) (pre-tax) to discount the projected cash flows to net present values; and
- fair market valuation of other investment properties using market approach and capitalisation approach.

The recoverable amount of property which comprises land and which is carried at cost is determined by reference to market value.

Based on the above assessment, the directors expect the carrying amount of goodwill and intangible assets with an indefinite useful life to be recoverable.

#### **Fair value measurement of investment properties**

Management uses various valuation techniques to determine the fair value of non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible, but this is not always available. In that case, management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date (see note 16).

#### **Inventories**

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by expiry, obsolescence or other market-driven changes that may reduce future selling prices.

## **6 Segment reporting**

Management currently identifies the Group's four revenue streams as its operating segments (see note 5.6). The Group's Chief Operating Decision Maker (CODM) is the Chief Executive Officer, and he monitors the performance of these operating segments as well as deciding on the allocation of resources to them. Segmental performance is monitored using adjusted segment operating results.

Segment information for the reporting periods presented are as follows:

### **6.1 Total revenue**

|                  | <b>The Group</b>   |                   |
|------------------|--------------------|-------------------|
|                  | <b>2026</b>        | <b>2025</b>       |
|                  | <b>€</b>           | <b>€</b>          |
| National Lottery | 75,579,649         | 64,166,877        |
| Dragonara Casino | 29,057,645         | 25,205,333        |
| iGaming          | 6,235,963          | 4,340,353         |
| Other Revenue    | 659,912            | 536,886           |
|                  | <b>111,533,169</b> | <b>94,249,449</b> |

### **6.2 Earnings before interest, tax, depreciation and amortisation (EBITDA)**

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

$$\text{EBITDA} = \text{Operating profit} + \text{Depreciation and amortisation} - \text{Lease payments}$$

Where:

- operating profit is as defined in the statements of comprehensive income; and
- lease payments are the sum of repayments and interest paid on lease liabilities as disclosed in the statements of cash flows.

Management believes that EBITDA is useful to investors as it excludes the effects of financing, taxation, depreciation, amortisation, and lease-related outflows, which can vary significantly across entities depending on their respective capital structures and asset base.

EBITDA by segment for the reporting periods presented are as follows:

|                               | <b>National Lottery</b> | <b>Dragonara Casino</b> | <b>iGaming</b>   | <b>Other revenue</b> | <b>Total</b>      |
|-------------------------------|-------------------------|-------------------------|------------------|----------------------|-------------------|
|                               | <b>€</b>                | <b>€</b>                | <b>€</b>         | <b>€</b>             | <b>€</b>          |
| <b>2026</b>                   |                         |                         |                  |                      |                   |
| Operating profit              | 6,832,772               | 5,866,700               | 3,011,766        | 3,712,223            | 19,423,461        |
| Add (deduct):                 |                         |                         |                  |                      |                   |
| Depreciation and amortisation | 17,417,047              | 2,593,819               | 121,053          | 430,141              | 20,562,060        |
| Rent payments                 | (1,843,977)             | (500,000)               | -                | (308,679)            | (2,652,656)       |
|                               | <b>22,405,842</b>       | <b>7,960,519</b>        | <b>3,132,819</b> | <b>3,833,685</b>     | <b>37,332,865</b> |

|                               | <b>National<br/>Lottery<br/>€</b> | <b>Dragonara<br/>Casino<br/>€</b> | <b>iGaming<br/>€</b> | <b>Other<br/>revenue<br/>€</b> | <b>Total<br/>€</b> |
|-------------------------------|-----------------------------------|-----------------------------------|----------------------|--------------------------------|--------------------|
| <b>2025</b>                   |                                   |                                   |                      |                                |                    |
| Operating profit              | 1,917,332                         | 5,201,417                         | 2,091,225            | 2,647,175                      | 11,857,149         |
| Add (deduct):                 |                                   |                                   |                      |                                |                    |
| Depreciation and amortisation | 17,033,169                        | 2,410,885                         | 86,206               | 121,217                        | 19,651,477         |
| Rent payments                 | (2,046,763)                       | (500,000)                         | -                    | (54,750)                       | (2,601,513)        |
|                               | <b>16,903,738</b>                 | <b>7,112,302</b>                  | <b>2,177,431</b>     | <b>2,713,642</b>               | <b>28,907,113</b>  |

## **7 Other income**

Other income for the reporting periods presented are as follows:

|                 | <b>The Group<br/>2026<br/>€</b> | <b>2025<br/>€</b> |
|-----------------|---------------------------------|-------------------|
| Gratuity income | 626,294                         | 552,888           |
| Others          | 230,663                         | 228,140           |
|                 | <b>856,957</b>                  | <b>781,028</b>    |

## **8 Staff costs**

|                                              | <b>The Group</b>  |                   | <b>The Company</b> |                   |
|----------------------------------------------|-------------------|-------------------|--------------------|-------------------|
|                                              | <b>2026<br/>€</b> | <b>2025<br/>€</b> | <b>2026<br/>€</b>  | <b>2025<br/>€</b> |
| Salaries and wages                           | 14,081,671        | 13,879,763        | 54,000             | 80,958            |
| Social security                              | 956,652           | 869,814           | -                  | -                 |
| Other staff costs                            | 370,399           | 361,999           | -                  | 35                |
|                                              | <b>15,408,722</b> | <b>15,111,576</b> | <b>54,000</b>      | <b>80,993</b>     |
| Salaries and wages recharged to subsidiaries | -                 | -                 | -                  | (26,993)          |
|                                              | <b>15,408,722</b> | <b>15,111,576</b> | <b>54,000</b>      | <b>54,000</b>     |

Included with salaries and wages is an amount of €196,574 (2025: €1,294,406) which was capitalised during the year.

The average full-time equivalent persons employed for the reporting periods presented were:

|                | <b>The Group</b>    |                     | <b>The Company</b>  |                     |
|----------------|---------------------|---------------------|---------------------|---------------------|
|                | <b>2026<br/>No.</b> | <b>2025<br/>No.</b> | <b>2026<br/>No.</b> | <b>2025<br/>No.</b> |
| Administration | 75                  | 68                  | 3                   | 3                   |
| Operations     | 477                 | 449                 | -                   | -                   |
|                | <b>552</b>          | <b>517</b>          | <b>3</b>            | <b>3</b>            |

In addition to the above, the Group had an average of 6 full-time equivalent persons seconded or outsourced during the year ended 30 June 2025. No persons were seconded or outsourced to the Group during the current financial year.

## **9 Operating profit (loss)**

The operating profit (loss) is stated after charging:

|                         | <b>The Group</b> |             | <b>The Company</b> |             |
|-------------------------|------------------|-------------|--------------------|-------------|
|                         | <b>2026</b>      | <b>2025</b> | <b>2026</b>        | <b>2025</b> |
|                         | <b>€</b>         | <b>€</b>    | <b>€</b>           | <b>€</b>    |
| Directors' remuneration | 204,480          | 204,480     | 54,000             | 54,000      |
| Auditor's remuneration  | 199,901          | 177,345     | 36,179             | 31,270      |
| Non-audit services      | 112,432          | 37,223      | -                  | -           |

## **10 Finance income and finance costs**

The following amounts may be analysed as follows for the reporting periods presented:

|                                                     | <b>The Group</b>   |                    | <b>The Company</b> |                    |
|-----------------------------------------------------|--------------------|--------------------|--------------------|--------------------|
|                                                     | <b>2026</b>        | <b>2025</b>        | <b>2026</b>        | <b>2025</b>        |
|                                                     | <b>€</b>           | <b>€</b>           | <b>€</b>           | <b>€</b>           |
| <b>Finance income</b>                               |                    |                    |                    |                    |
| Interest income charged to subsidiaries             | -                  | -                  | 3,419,092          | 3,207,972          |
| Interest from cash and cash equivalents             | 48,503             | -                  | -                  | -                  |
|                                                     | <b>48,503</b>      | <b>-</b>           | <b>3,419,092</b>   | <b>3,207,972</b>   |
| <b>Finance costs</b>                                |                    |                    |                    |                    |
| Interest expense for borrowings at amortised costs: |                    |                    |                    |                    |
| - Bank borrowings                                   | (1,808,153)        | (1,966,387)        | (1,611,340)        | (1,603,465)        |
| - Debt securities in issue                          | (1,783,785)        | (1,361,174)        | (1,783,785)        | (1,361,174)        |
| Interest expense for leasing arrangements           | (1,448,886)        | (1,386,217)        | -                  | -                  |
|                                                     | <b>(5,040,824)</b> | <b>(4,713,778)</b> | <b>(3,395,125)</b> | <b>(2,964,639)</b> |

## **11 Tax expense**

The relationship between the expected tax expense based on the effective tax rate of the Group and Company at 35% (2025: 35%) and the tax expense actually recognised in the statements of comprehensive income can be reconciled as follows:

|                                                             | <b>The Group</b>   |                    | <b>The Company</b> |                  |
|-------------------------------------------------------------|--------------------|--------------------|--------------------|------------------|
|                                                             | <b>2026</b>        | <b>2025</b>        | <b>2026</b>        | <b>2025</b>      |
|                                                             | <b>€</b>           | <b>€</b>           | <b>€</b>           | <b>€</b>         |
| Profit before tax                                           | 14,431,140         | 7,143,371          | 9,520,725          | 1,927,669        |
| Tax rate                                                    | 35%                | 35%                | 35%                | 35%              |
| <b>Expected tax expense</b>                                 | <b>(5,050,899)</b> | <b>(2,500,180)</b> | <b>(3,332,254)</b> | <b>(674,684)</b> |
| <b>Adjustments for:</b>                                     |                    |                    |                    |                  |
| Non-deductible expenses                                     | (496,623)          | (260,433)          | -                  | -                |
| Non-taxable income                                          | -                  | 13,503             | 3,200,373          | -                |
| Other timing differences                                    | 42,499             | 62,344             | -                  | -                |
| Reversal of deferred tax asset recognised in previous years | (232,086)          | -                  | -                  | -                |
| <b>Actual tax expense, net</b>                              | <b>(5,737,109)</b> | <b>(2,684,766)</b> | <b>(131,881)</b>   | <b>(674,684)</b> |

|                              | <b>The Group</b>   |                    | <b>The Company</b> |                  |
|------------------------------|--------------------|--------------------|--------------------|------------------|
|                              | <b>2026</b>        | <b>2025</b>        | <b>2026</b>        | <b>2025</b>      |
|                              | <b>€</b>           | <b>€</b>           | <b>€</b>           | <b>€</b>         |
| <b>Comprising:</b>           |                    |                    |                    |                  |
| Current tax income (expense) | 26,392             | 14,928             | (131,881)          | (631,050)        |
| Deferred tax expense         | (5,763,501)        | (2,699,694)        | -                  | (43,634)         |
|                              | <b>(5,737,109)</b> | <b>(2,684,766)</b> | <b>(131,881)</b>   | <b>(674,684)</b> |

Refer to note 20 for information on the Group's deferred tax asset and liability.

## **12 Goodwill**

Goodwill is primarily growth expectations, expected future profitability, the substantial skill and expertise of the workforce and expected cost synergies. Goodwill has been allocated to the following segments.

|                                                 | <b>2026</b>       | <b>2025</b>       |
|-------------------------------------------------|-------------------|-------------------|
|                                                 | <b>€</b>          | <b>€</b>          |
| <b>Goodwill allocated to operating segments</b> |                   |                   |
| National Lottery                                | 48,910,530        | 48,910,530        |
| Casino and catering                             | 9,284,960         | 9,284,960         |
| iGaming                                         | 3,164,218         | 3,164,218         |
| Property                                        | 991,758           | 991,758           |
| <b>Total</b>                                    | <b>62,351,466</b> | <b>62,351,466</b> |

The recoverable amount of each segment was determined based on value-in-use calculations, covering a detailed ten-year forecast, followed by an extrapolation of expected cash flows for the remaining useful lives using a declining growth rate determined by management. The present value of the expected cash flows of each segment is determined by applying a suitable discount rate reflecting current market assessments of the time value of money and risks specific to the segment.

|                                                     | <b>2026</b>        | <b>2025</b>        |
|-----------------------------------------------------|--------------------|--------------------|
|                                                     | <b>€</b>           | <b>€</b>           |
| <b>Recoverable amount of each operating segment</b> |                    |                    |
| National Lottery                                    | 68,365,000         | 72,046,000         |
| Casino and catering                                 | 29,661,000         | 29,691,000         |
| iGaming                                             | 5,610,000          | 5,525,000          |
| Property                                            | 235,836            | 235,836            |
| <b>Total</b>                                        | <b>103,871,836</b> | <b>107,497,836</b> |

The movement in the net carrying amount of goodwill is as follows:

|                            | <b>The Group</b>  |                   |
|----------------------------|-------------------|-------------------|
|                            | <b>2026</b>       | <b>2025</b>       |
|                            | <b>€</b>          | <b>€</b>          |
| Gross carrying amount      | 62,351,466        | 62,351,466        |
| Accumulated impairment     | (755,922)         | (755,922)         |
| <b>Net carrying amount</b> | <b>61,595,544</b> | <b>61,595,544</b> |

### 13 Intangible assets

| The Group                              | Concession<br>fee<br>€ | Software<br>€    | Trademark<br>and domain<br>€ | Key money<br>€   | Website<br>€   | Work-in-<br>Progress<br>€ | Total<br>€         |
|----------------------------------------|------------------------|------------------|------------------------------|------------------|----------------|---------------------------|--------------------|
| <b>Gross carrying amount</b>           |                        |                  |                              |                  |                |                           |                    |
| Balance at 1 July 2025                 | 108,946,939            | 5,874,603        | 29,204,149                   | 967,825          | 875,902        | -                         | 145,869,418        |
| Additions                              | -                      | 265,359          | -                            | 113,000          | 74,431         | 405,187                   | 857,977            |
| <b>Balance at 30 June 2026</b>         | <b>108,946,939</b>     | <b>6,139,962</b> | <b>29,204,149</b>            | <b>1,080,825</b> | <b>950,333</b> | <b>405,187</b>            | <b>146,727,395</b> |
| <b>Amortisation</b>                    |                        |                  |                              |                  |                |                           |                    |
| Balance at 1 July 2025                 | 32,381,985             | 3,292,285        | -                            | 295,460          | 122,555        | -                         | 36,092,285         |
| Charge for the year                    | 10,880,212             | 1,204,097        | -                            | 115,755          | 114,108        | -                         | 12,314,172         |
| <b>Balance at 30 June 2026</b>         | <b>43,262,197</b>      | <b>4,496,382</b> | <b>-</b>                     | <b>411,215</b>   | <b>236,663</b> | <b>-</b>                  | <b>48,406,457</b>  |
| <b>Carrying amount at 30 June 2026</b> | <b>65,684,742</b>      | <b>1,643,580</b> | <b>29,204,149</b>            | <b>669,610</b>   | <b>713,670</b> | <b>405,187</b>            | <b>98,320,938</b>  |
| <b>Gross carrying amount</b>           |                        |                  |                              |                  |                |                           |                    |
| Balance at 1 July 2024                 | 108,946,939            | 5,691,638        | 29,204,149                   | 912,825          | 471,731        | -                         | 145,227,282        |
| Additions                              | -                      | 182,965          | -                            | 55,000           | 404,171        | -                         | 642,136            |
| <b>Balance at 30 June 2025</b>         | <b>108,946,939</b>     | <b>5,874,603</b> | <b>29,204,149</b>            | <b>967,825</b>   | <b>875,902</b> | <b>-</b>                  | <b>145,869,418</b> |
| <b>Amortisation</b>                    |                        |                  |                              |                  |                |                           |                    |
| Balance at 1 July 2024                 | 21,501,773             | 2,127,014        | -                            | 190,629          | 43,646         | -                         | 23,863,062         |
| Charge for the year                    | 10,880,212             | 1,165,271        | -                            | 104,831          | 78,909         | -                         | 12,229,223         |
| <b>Balance at 30 June 2025</b>         | <b>32,381,985</b>      | <b>3,292,285</b> | <b>-</b>                     | <b>295,460</b>   | <b>122,555</b> | <b>-</b>                  | <b>36,092,285</b>  |
| <b>Carrying amount at 30 June 2025</b> | <b>76,564,954</b>      | <b>2,582,318</b> | <b>29,204,149</b>            | <b>672,365</b>   | <b>753,347</b> | <b>-</b>                  | <b>109,777,133</b> |

#### **Dragonara casino concession**

On 28 July 2021, the Group, through its subsidiary Dragonara Gaming Limited, was granted a 10-year concession by the Ministry for the Economy and Industry ("the Ministry") to operate the Dragonara Casino with an initial concession fee of €1,500,000, effective from 28 July 2021 to 28 July 2031. On 19 December 2023, the Ministry extended the concession's validity until 28 July 2033, in exchange for an additional fee of €300,000. This extension was granted due to the operational disruptions caused by the COVID-19 pandemic in 2020 and 2021, during which Dragonara Casino was forced to close for certain periods. This fee will be paid in 24 equal monthly instalments of €12,500, starting on 31 December 2025 and concluding on 30 November 2027.

#### **National lottery concession**

On 10 March 2022, the Group, through its subsidiary namely National Lottery plc, was awarded a concession to manage and operate the National lottery of Malta for a period of 10 years commencing from 5 July 2022 until 4 July 2032.

All amortisation charges are included within 'depreciation and amortisation' in the statements of comprehensive income.

## **14 Property, plant and equipment**

Details of the Group's property, plant and equipment and their carrying amounts are as follows:

| <b>The Group</b>                                | <b>Land and<br/>buildings<br/>€</b> | <b>Leasehold<br/>improvements<br/>€</b> | <b>Gaming<br/>equipment<br/>€</b> | <b>Office and<br/>computer<br/>equipment<br/>€</b> | <b>Furniture,<br/>electrical<br/>and sanitary<br/>fittings<br/>€</b> | <b>Plant and<br/>machinery<br/>€</b> | <b>Motor<br/>vehicles<br/>€</b> | <b>Work-in-<br/>progress<br/>€</b> | <b>Others<br/>€</b> | <b>Total<br/>€</b> |
|-------------------------------------------------|-------------------------------------|-----------------------------------------|-----------------------------------|----------------------------------------------------|----------------------------------------------------------------------|--------------------------------------|---------------------------------|------------------------------------|---------------------|--------------------|
| <b>Gross carrying amount</b>                    |                                     |                                         |                                   |                                                    |                                                                      |                                      |                                 |                                    |                     |                    |
| Balance at 1 July 2025                          | 4,298,927                           | 3,003,294                               | 16,238,519                        | 6,111,139                                          | 6,570,073                                                            | 634,843                              | 968,128                         | 1,122,968                          | 306,766             | 39,254,657         |
| Additions                                       | -                                   | 937,381                                 | 2,082,573                         | 739,952                                            | 1,251,989                                                            | 163,879                              | 47,422                          | 866,406                            | 59,031              | 6,148,633          |
| Reclassifications                               | -                                   | 194,931                                 | -                                 | 1,069                                              | 162,160                                                              | -                                    | -                               | (361,705)                          | 3,545               | -                  |
| Reclassified from investment property           | 304,364                             | -                                       | -                                 | -                                                  | -                                                                    | -                                    | -                               | -                                  | -                   | 304,364            |
| Reclassified to non-current asset held for sale | (4,298,927)                         | -                                       | -                                 | -                                                  | -                                                                    | -                                    | -                               | -                                  | -                   | (4,298,927)        |
| Disposal                                        | -                                   | -                                       | -                                 | (28,010)                                           | (41,065)                                                             | (338,925)                            | -                               | -                                  | -                   | (408,000)          |
| Termination of lease                            | -                                   | -                                       | -                                 | -                                                  | -                                                                    | -                                    | (26,606)                        | -                                  | -                   | (26,606)           |
| <b>Balance at 30 June 2026</b>                  | <b>304,364</b>                      | <b>4,135,606</b>                        | <b>18,321,092</b>                 | <b>6,824,150</b>                                   | <b>7,943,157</b>                                                     | <b>459,797</b>                       | <b>988,944</b>                  | <b>1,627,669</b>                   | <b>369,342</b>      | <b>40,974,121</b>  |
| <b>Depreciation</b>                             |                                     |                                         |                                   |                                                    |                                                                      |                                      |                                 |                                    |                     |                    |
| Balance at 1 July 2025                          | -                                   | 482,667                                 | 7,851,582                         | 2,851,957                                          | 1,677,083                                                            | 267,040                              | 139,947                         | -                                  | 111,646             | 13,381,922         |
| Charge for the year                             | -                                   | 341,569                                 | 3,343,311                         | 1,267,505                                          | 839,073                                                              | 104,964                              | 207,572                         | -                                  | 44,291              | 6,148,285          |
| Disposal                                        | -                                   | -                                       | -                                 | (28,010)                                           | (41,065)                                                             | (338,925)                            | -                               | -                                  | -                   | (408,000)          |
| Termination of lease                            | -                                   | -                                       | -                                 | -                                                  | -                                                                    | -                                    | (26,606)                        | -                                  | -                   | (26,606)           |
| <b>Balance at 30 June 2026</b>                  | <b>-</b>                            | <b>824,236</b>                          | <b>11,194,893</b>                 | <b>4,091,452</b>                                   | <b>2,475,091</b>                                                     | <b>33,079</b>                        | <b>320,913</b>                  | <b>-</b>                           | <b>155,937</b>      | <b>19,095,601</b>  |
| <b>Carrying amount at 30 June 2026</b>          | <b>304,364</b>                      | <b>3,311,370</b>                        | <b>7,126,199</b>                  | <b>2,732,698</b>                                   | <b>5,468,066</b>                                                     | <b>426,718</b>                       | <b>668,031</b>                  | <b>1,627,669</b>                   | <b>213,405</b>      | <b>21,878,520</b>  |

During the year, the Group entered into a promise of sale agreement for the land. As at the reporting date, management was committed to the sale and expected the transaction to be completed within twelve months. Accordingly, the land was reclassified from property, plant and equipment to non-current asset held for sale and is presented separately within current assets in the statements of financial position.

| The Group                              | Land             | Leasehold improvements | Gaming equipment  | Office and computer equipment | Furniture, electrical and sanitary fittings | Plant and machinery | Motor vehicles | Work-in-progress | Others         | Total             |
|----------------------------------------|------------------|------------------------|-------------------|-------------------------------|---------------------------------------------|---------------------|----------------|------------------|----------------|-------------------|
|                                        | €                | €                      | €                 | €                             | €                                           | €                   | €              | €                | €              | €                 |
| <b>Gross carrying amount</b>           |                  |                        |                   |                               |                                             |                     |                |                  |                |                   |
| Balance at 1 July 2024                 | 4,250,096        | 1,482,340              | 14,515,365        | 4,742,267                     | 4,429,328                                   | 558,873             | 1,101,105      | 2,641,985        | 233,431        | 33,954,790        |
| Additions                              | 48,831           | 249,601                | 1,672,754         | 554,872                       | 732,057                                     | 64,170              | 169,579        | 2,096,934        | 13,625         | 5,602,423         |
| Reclassifications                      | -                | 1,271,353              | 50,400            | 814,000                       | 1,408,688                                   | 11,800              | -              | (3,615,951)      | 59,710         | -                 |
| Termination of lease                   | -                | -                      | -                 | -                             | -                                           | -                   | (302,556)      | -                | -              | (302,556)         |
| <b>Balance at 30 June 2025</b>         | <b>4,298,927</b> | <b>3,003,294</b>       | <b>16,238,519</b> | <b>6,111,139</b>              | <b>6,570,073</b>                            | <b>634,843</b>      | <b>968,128</b> | <b>1,122,968</b> | <b>306,766</b> | <b>39,254,657</b> |
| <b>Depreciation</b>                    |                  |                        |                   |                               |                                             |                     |                |                  |                |                   |
| Balance at 1 July 2024                 | -                | 209,013                | 4,781,405         | 1,733,298                     | 983,978                                     | 177,777             | 239,141        | -                | 55,379         | 8,179,991         |
| Charge for the year                    | -                | 221,106                | 3,070,177         | 1,118,659                     | 693,105                                     | 89,263              | 203,362        | -                | 56,267         | 5,451,939         |
| Impairment                             | -                | 52,548                 | -                 | -                             | -                                           | -                   | -              | -                | -              | 52,548            |
| Termination of lease                   | -                | -                      | -                 | -                             | -                                           | -                   | (302,556)      | -                | -              | (302,556)         |
| <b>Balance at 30 June 2025</b>         | <b>-</b>         | <b>482,667</b>         | <b>7,851,582</b>  | <b>2,851,957</b>              | <b>1,677,083</b>                            | <b>267,040</b>      | <b>139,947</b> | <b>-</b>         | <b>111,646</b> | <b>13,381,922</b> |
| <b>Carrying amount at 30 June 2025</b> | <b>4,298,927</b> | <b>2,520,627</b>       | <b>8,386,937</b>  | <b>3,259,182</b>              | <b>4,892,990</b>                            | <b>367,803</b>      | <b>828,181</b> | <b>1,122,968</b> | <b>195,120</b> | <b>25,872,735</b> |

Motor vehicles include the following amounts where the Group is a lessee under finance leases.

|                          | <b>The Group</b> |                |
|--------------------------|------------------|----------------|
|                          | <b>2026</b>      | <b>2025</b>    |
|                          | <b>€</b>         | <b>€</b>       |
| Costs                    | 1,045,430        | 1,034,013      |
| Accumulated depreciation | (477,970)        | (324,072)      |
|                          | <b>567,460</b>   | <b>709,941</b> |

All depreciation and impairment charges are included within ‘depreciation and amortisation’ in the statements of comprehensive income.

## **15 Leases**

### **15.1 Right-of-use assets**

| <b>The Group</b>                       | <b>Emphyteusis deed</b> | <b>Leased property</b> | <b>Total</b>      |
|----------------------------------------|-------------------------|------------------------|-------------------|
|                                        | <b>€</b>                | <b>€</b>               | <b>€</b>          |
| <b>Gross carrying amount</b>           |                         |                        |                   |
| Balance at 1 July 2025                 | 36,612,815              | 9,747,365              | 46,360,180        |
| Additions                              | -                       | 1,833,607              | 1,833,607         |
| Remeasurement of lease liabilities     | -                       | 1,553,351              | 1,553,351         |
| Terminated/expired leases              | -                       | (1,487,404)            | (1,487,404)       |
| <b>Balance at 30 June 2026</b>         | <b>36,612,815</b>       | <b>11,646,919</b>      | <b>48,259,734</b> |
| <b>Depreciation and impairment</b>     |                         |                        |                   |
| Balance at 1 July 2025                 | 2,097,706               | 1,630,635              | 3,728,341         |
| Charge for the year                    | 623,994                 | 1,475,609              | 2,099,603         |
| Remeasurement of lease liabilities     | -                       | (829)                  | (829)             |
| Terminated/expired leases              | -                       | (1,482,203)            | (1,482,203)       |
| <b>Balance at 30 June 2026</b>         | <b>2,721,700</b>        | <b>1,623,212</b>       | <b>4,344,912</b>  |
| <b>Carrying amount at 30 June 2026</b> | <b>33,891,115</b>       | <b>10,023,707</b>      | <b>43,914,822</b> |
| <b>Gross carrying amount</b>           |                         |                        |                   |
| Balance at 1 July 2024                 | 36,612,815              | 11,367,488             | 47,980,303        |
| Additions                              | -                       | 976,990                | 976,990           |
| Remeasurement of lease liabilities     | -                       | (220,842)              | (220,842)         |
| Terminated/expired leases              | -                       | (2,376,271)            | (2,376,271)       |
| <b>Balance at 30 June 2025</b>         | <b>36,612,815</b>       | <b>9,747,365</b>       | <b>46,360,180</b> |
| <b>Depreciation and impairment</b>     |                         |                        |                   |
| Balance at 1 July 2024                 | 1,473,705               | 2,647,606              | 4,121,311         |
| Charge for the year                    | 624,001                 | 1,346,314              | 1,970,315         |
| Remeasurement of lease liabilities     | -                       | (49,041)               | (49,041)          |
| Terminated/expired leases              | -                       | (2,314,244)            | (2,314,244)       |
| <b>Balance at 30 June 2025</b>         | <b>2,097,706</b>        | <b>1,630,635</b>       | <b>3,728,341</b>  |
| <b>Carrying amount at 30 June 2025</b> | <b>34,515,109</b>       | <b>8,116,730</b>       | <b>42,631,839</b> |

## **15.2 Lease liabilities**

The Group leases motor vehicles, casino premises, commercial properties and office space. Lease liabilities included in the statements of financial position are as follows:

|             | <b>The Group</b><br><b>2026</b><br>€ | <b>2025</b><br>€  |
|-------------|--------------------------------------|-------------------|
| Non-current | 28,601,685                           | 26,577,227        |
| Current     | 1,678,375                            | 1,487,710         |
|             | <b>30,280,060</b>                    | <b>28,064,937</b> |

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. The Group is prohibited from lending or transferring the underlying leased assets. Upon termination, the right-of-use assets shall be returned to the lender in as good a condition as when received by the Group, except for reasonable wear and tear. The Group shall ensure that these assets are at all times kept in a good state of repair and return the premises in their original condition at the end of the lease.

| <b>Right-of-use assets</b> | <b>No of right-of-use assets leased</b> | <b>Range of remaining term</b> | <b>Average remaining lease term</b> | <b>No of leases with extension options</b> | <b>No of leases with termination options</b> |
|----------------------------|-----------------------------------------|--------------------------------|-------------------------------------|--------------------------------------------|----------------------------------------------|
| Casino                     | 1                                       | 59 years                       | 59 years                            | -                                          | -                                            |
| Gaming premises            | 65                                      | 1 – 12 years                   | 7 years                             | -                                          | 65                                           |
| Office space               | 1                                       | 7 years                        | 7 years                             | -                                          | 1                                            |
| Warehouse                  | 2                                       | 2 – 5 years                    | 4 years                             | -                                          | -                                            |
| Motor vehicles             | 34                                      | 1 – 6 years                    | 3 years                             | -                                          | -                                            |
| Property                   | 1                                       | 21 years                       | 21 years                            | -                                          | -                                            |

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 30 June 2026 and 2025 were as follows:

|                                                     | <b>The Group</b><br><b>2026</b><br>€ | <b>2025</b><br>€  |
|-----------------------------------------------------|--------------------------------------|-------------------|
| <b>Lease payments</b>                               |                                      |                   |
| - not later than one year                           | 2,735,987                            | 2,487,916         |
| - later than one year and not later than five years | 9,799,434                            | 8,045,558         |
| - later than five years                             | 67,707,656                           | 68,324,578        |
|                                                     | <b>80,243,077</b>                    | <b>78,858,052</b> |
| <b>Finance charges</b>                              |                                      |                   |
| - not later than one year                           | 1,433,776                            | 1,358,457         |
| - later than one year and not later than five years | 5,171,657                            | 4,942,562         |
| - later than five years                             | 43,357,584                           | 44,492,096        |
|                                                     | <b>49,963,017</b>                    | <b>50,793,115</b> |
| <b>Net present values</b>                           |                                      |                   |
| - not later than one year                           | 1,302,211                            | 1,129,459         |
| - later than one year and not later than five years | 4,627,777                            | 3,102,996         |
| - later than five years                             | 24,350,072                           | 23,832,482        |
|                                                     | <b>30,280,060</b>                    | <b>28,064,937</b> |

## **16 Investment properties**

Details of the Group's investment properties and their carrying amounts are as follows:

| <b>The Group</b>                              | <b>Land</b><br>€ | <b>Apartment</b><br>€ | <b>Shop</b><br>€ | <b>Asset under<br/>construction</b><br>€ | <b>Total</b><br>€ |
|-----------------------------------------------|------------------|-----------------------|------------------|------------------------------------------|-------------------|
| <b>Gross carrying amount</b>                  |                  |                       |                  |                                          |                   |
| Balance at 1 July 2025                        | 3,075,351        | 385,355               | 304,364          | 1,761,565                                | 5,526,635         |
| Additions                                     | -                | -                     | -                | 97,869                                   | 97,869            |
| Reclassified to property, plant and equipment | -                | -                     | (304,364)        | -                                        | (304,364)         |
| <b>Balance at 30 June 2026</b>                | <b>3,075,351</b> | <b>385,355</b>        | <b>-</b>         | <b>1,859,434</b>                         | <b>5,320,140</b>  |
| <b>Gross carrying amount</b>                  |                  |                       |                  |                                          |                   |
| Balance at 1 July 2024                        | 386,000          | -                     | 304,364          | 1,343,366                                | 2,033,730         |
| Additions                                     | 2,689,351        | 385,355               | -                | 418,199                                  | 3,492,905         |
| <b>Balance at 30 June 2025</b>                | <b>3,075,351</b> | <b>385,355</b>        | <b>304,364</b>   | <b>1,761,565</b>                         | <b>5,526,635</b>  |

A subsidiary of the Company owns arable land known as 'Ta' Minka, situated in Wardija, Malta, measuring approximately 4,347 square metres. The land continues to be held for future agricultural use.

The same subsidiary owns three plots of land acquired from related parties in prior years, comprising one plot situated in Naxxar and two plots situated in St Paul's Bay, with an aggregate acquisition cost of €2,689,351. The subsidiary also owns a maisonette situated in Balzan, acquired at a cost of €385,355. These properties continue to be held for potential future capital appreciation.

On 20 July 2020, the subsidiary entered into a 30-year temporary emphyteusis over a property situated in St. Julian's, Malta. Under the terms of the agreement, the subsidiary was required to demolish the existing structure and construct a new block of buildings intended to generate rental income. Construction commenced in 2020 and was completed during the current financial year. As at 30 June 2026, the development was completed and ready for use and is expected to commence generating rental income during the financial year ending 30 June 2027.

During the year, no rental income was generated from the Group's investment properties.

Investment properties with a carrying amount of €2,675,808 (2025: €2,675,808) are pledged as security in relation to the Group's bank facilities.

### **16.1 Fair value measurement of investment properties**

The fair values of the company's investment properties are estimated based on appraisals performed by the Group's architect. The significant inputs and assumptions are developed in close consultation with management. The valuation processes and fair value changes are reviewed by the board of directors at each reporting date.

#### **Land and Apartment (Level 3)**

The appraisal was carried out using a market approach that reflects observed prices for recent market transactions for similar properties and incorporates adjustments for factors specific to the plots of land and apartment in question, including plot size, location, encumbrances and current use. The land and the apartment were revalued on 6 August 2026.

The significant unobservable input is the adjustment for factors specific to the land in question. The extent and direction of this adjustment depends on the number and characteristics of the observable market transactions in similar properties that are used as the starting point for valuation. Although this input is a subjective judgement, management considers that the overall valuation would not be materially affected by reasonably possible alternative assumptions.

### **Property in St. Julian's (Level 3)**

The fair value of the property in St. Julian's, which is still under construction as at reporting date, is estimated using an income approach based on the projected rental income, net of projected operating costs, using a discount rate derived from market yields implied by recent transactions in similar properties. The estimated rental income takes into account the rentals from future leases over the remaining term of the temporary emphyteusis. The property was revalued on 30 June 2026.

The most significant inputs, all of which are unobservable, are the estimated rental value, assumptions about vacancy levels, and the discount rate. The estimated fair value increases if the estimated rental increases, vacancy levels decline or if discount rate (market yields) decline. The overall valuations are sensitive to all three assumptions. Management considers the range of reasonably possible alternative assumptions is greatest for rental values and vacancy levels and that there is also an interrelationship between these inputs.

The discount rate (market yield) used in the valuation is 5.8% and an occupancy rate of 80% has been applied.

## **17 Investment in subsidiaries**

### **17.1 Investment in subsidiaries**

The amount stated in the statements of financial position is analysed as follows:

|                                     | <b>The Company</b> |                    |
|-------------------------------------|--------------------|--------------------|
|                                     | <b>2026</b>        | <b>2025</b>        |
|                                     | <b>€</b>           | <b>€</b>           |
| <b>Balance at 1 July 2025, 2024</b> | 101,399,682        | 100,239,682        |
| Additions                           | 200,000            | 200,000            |
| Disposal                            | -                  | (40,000)           |
| Capitalised loan                    | 2,572,604          | 1,000,000          |
| <b>Balance at 30 June</b>           | <b>104,172,286</b> | <b>101,399,682</b> |

During the previous financial year, the Company established IZI International S.à r.l. in Luxembourg to act as the holding company for the Group's international operations and transferred IZI Services Limited to IZI International S.à r.l. as part of this restructuring. During the current financial year, the Company made an additional investment of €200,000 in IZI International S.à r.l.

The Company entered into agreements with its subsidiary, IZI Properties Limited, to convert €2,572,604 (2025: €1,000,000) of the outstanding balance into a capital contribution. The loan is interest-free and repayable at the company's discretion, with no fixed repayment terms or maturity date.

Set out below are the details of the subsidiaries held directly by the Group:

| Subsidiary companies       | Registered office                                                                                                | Percentage holding in ordinary shares |           |             |           | Nature of business                                                                                                                                                                                                    |
|----------------------------|------------------------------------------------------------------------------------------------------------------|---------------------------------------|-----------|-------------|-----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                            |                                                                                                                  | The Group                             |           | The Company |           |                                                                                                                                                                                                                       |
|                            |                                                                                                                  | 2026<br>%                             | 2025<br>% | 2026<br>%   | 2025<br>% |                                                                                                                                                                                                                       |
| IZI Interactive Limited*   | The Quad Central, Q3 Level 11, Triq L-Esportaturi, Zone 1, Central Business District, Birkirkara CBD 1040, Malta | 99.99                                 | 99.99     | 99.99       | 99.99     | iGaming                                                                                                                                                                                                               |
| IZI Properties Limited     | The Quad Central, Q3 Level 11, Triq L-Esportaturi, Zone 1, Central Business District, Birkirkara CBD 1040, Malta | 99.99                                 | 99.99     | 99.99       | 99.99     | Immovable property                                                                                                                                                                                                    |
| Pinnacle IP Limited*       | The Quad Central, Q3 Level 11, Triq L-Esportaturi, Zone 1, Central Business District, Birkirkara CBD 1040, Malta | -                                     | 100       | -           | 100       | Intellectual property                                                                                                                                                                                                 |
| National Lottery plc       | The Quad Central, Q3 Level 11, Triq L-Esportaturi, Zone 1, Central Business District, Birkirkara CBD 1040, Malta | 100                                   | 100       | 100         | 100       | Holds a concession to manage and operate the national lottery games of Malta and also operator of a bingo hall and electronic gaming devices as well as historical horse racing terminals and video lottery terminals |
| IZI Group Services Limited | The Quad Central, Q3 Level 11, Triq L-Esportaturi, Zone 1, Central Business District, Birkirkara CBD 1040, Malta | 99.99                                 | 99.99     | 99.99       | 99.99     | Employment related services                                                                                                                                                                                           |

**Peninsula Group**

|                                |                                                                                                                  |    |    |    |    |                       |
|--------------------------------|------------------------------------------------------------------------------------------------------------------|----|----|----|----|-----------------------|
| Peninsula Gaming Group Limited | The Quad Central, Q3 Level 11, Triq L-Esportaturi, Zone 1, Central Business District, Birkirkara CBD 1040, Malta | 60 | 60 | 60 | 60 | Investment            |
| Dragonara Catering Limited     | Dragonara Casino Complex, Dragonara Road, San Giljan, Malta                                                      | 60 | 60 | -  | -  | Catering services     |
| Dragonara Gaming Limited       | Dragonara Casino Complex, Dragonara Road, San Giljan, Malta                                                      | 60 | 60 | -  | -  | Casino                |
| Dragonara IP Limited           | The Quad Central, Q3 Level 11, Triq L-Esportaturi, Zone 1, Central Business District, Birkirkara CBD 1040, Malta | 60 | 60 | -  | -  | Intellectual property |
| Dragonara Interactive Limited  | Dragonara Palace, Dragonara Road, San Giljan, Malta                                                              | 60 | 60 | -  | -  | Online gaming         |

**International Group**

|                            |                                                                                                                  |    |    |    |    |                                                                             |
|----------------------------|------------------------------------------------------------------------------------------------------------------|----|----|----|----|-----------------------------------------------------------------------------|
| IZI International S.à r.l. | 7, Rue de Bitbourg, L-1273 Luxembourg                                                                            | 80 | 80 | 80 | 80 | Investment                                                                  |
| IZI Entertainment GmbH     | Schleifmühlgasse 4/Top 11 1040 Vienna (Wien) Austria                                                             | 72 | 80 | -  | -  | Holding company                                                             |
| IZI Services Limited       | The Quad Central, Q3 Level 11, Triq L-Esportaturi, Zone 1, Central Business District, Birkirkara CBD 1040, Malta | 80 | 80 | -  | -  | MGA licences entity offering B2B gaming services                            |
| Triple Crown S.à r.l.**    | 7, Rue de Bitbourg, L-1273 Luxembourg                                                                            | 80 | 80 | -  | -  | Holding company                                                             |
| IZIBet GmbH                | Schleifmühlgasse 4/Top 11 1040 Vienna (Wien) Austria                                                             | 80 | -  | -  | -  | Holds a licence to manage and operate the sports betting outlets in Austria |
| IZI Brazil Ltda            | Avenida Francisco Matarazzo, 1400 18th Floor – Torre Torino Água Branca São Paulo – SP CEP 05001-903 Brazil      | 80 | -  | -  | -  | Holding company                                                             |

\* Merged effective 1 July 2025 where IZI Interactive Limited is the surviving entity.

\*\* Triple Crown S.à r.l. was dissolved on 20 August 2026, with all of its assets and liabilities transferred to and assumed by its parent company, IZI International S.à r.l.

## **17.2 Subsidiaries with material non-controlling interests**

The Group includes Peninsula Gaming Group Limited (Peninsula Group) and IZI International S.á r.l. (International Group), of which 40% and 20%, respectively, of the equity interests are held by non-controlling interests (NCI).

|                                             | <b>Peninsula Group</b> |                  | <b>International Group</b> |               |
|---------------------------------------------|------------------------|------------------|----------------------------|---------------|
|                                             | <b>2026</b>            | <b>2025</b>      | <b>2026</b>                | <b>2025</b>   |
|                                             | <b>€</b>               | <b>€</b>         | <b>€</b>                   | <b>€</b>      |
| Balance at beginning of year                | 8,276,001              | 7,782,410        | 43,600                     | -             |
| Issue of shares to non-controlling interest | -                      | -                | 450,000                    | 50,000        |
| Dividends                                   | (1,200,000)            | (800,000)        | -                          | -             |
| Profit allocated to NCI                     | 1,837,585              | 1,293,591        | (140,081)                  | (6,400)       |
| <b>Balance at end of year</b>               | <b>8,913,586</b>       | <b>8,276,001</b> | <b>353,519</b>             | <b>43,600</b> |

Summarised financial information for Peninsula Group and International Group, before intra-group eliminations, is set out below.

|                                                                          | <b>Peninsula Group</b> |                   | <b>International Group</b> |                 |
|--------------------------------------------------------------------------|------------------------|-------------------|----------------------------|-----------------|
|                                                                          | <b>2026</b>            | <b>2025</b>       | <b>2026</b>                | <b>2025</b>     |
|                                                                          | <b>€</b>               | <b>€</b>          | <b>€</b>                   | <b>€</b>        |
| Non-current assets                                                       | 43,059,916             | 43,913,946        | 541,106                    | -               |
| Current assets                                                           | 9,915,252              | 7,268,970         | 29,788,834                 | 346,662         |
| <b>Balance at end of year</b>                                            | <b>52,975,168</b>      | <b>51,182,916</b> | <b>30,329,940</b>          | <b>346,662</b>  |
| Non-current liabilities                                                  | 26,557,361             | 24,521,375        | 29,400,000                 | -               |
| Current liabilities                                                      | 4,133,925              | 5,971,590         | 684,825                    | 128,663         |
| <b>Balance at end of year</b>                                            | <b>30,691,286</b>      | <b>30,492,965</b> | <b>30,084,825</b>          | <b>128,663</b>  |
| <b>Net assets</b>                                                        | <b>22,283,882</b>      | <b>20,689,951</b> | <b>245,115</b>             | <b>217,999</b>  |
| <b>Net assets attributable to:</b>                                       |                        |                   |                            |                 |
| Owners of the parent                                                     | 13,370,296             | 12,413,950        | (108,404)                  | 174,399         |
| Non-controlling interest                                                 | 8,913,586              | 8,276,001         | 353,519                    | 43,600          |
|                                                                          | <b>22,283,882</b>      | <b>20,689,951</b> | <b>245,115</b>             | <b>217,999</b>  |
| <b>Total comprehensive income (loss) for the period attributable to:</b> |                        |                   |                            |                 |
| Owners of the parent                                                     | 2,756,345              | 1,940,364         | (482,803)                  | (25,601)        |
| Non-controlling interest                                                 | 1,837,585              | 1,293,591         | (140,081)                  | (6,400)         |
|                                                                          | <b>4,593,930</b>       | <b>3,233,955</b>  | <b>(622,884)</b>           | <b>(32,001)</b> |
| Net cash from (used in) operating activities                             | 9,430,064              | 6,821,201         | (215,402)                  | (57,033)        |
| Net cash used in investing activities                                    | (2,211,722)            | (2,577,218)       | (541,609)                  | -               |
| Net cash used in (from) financing activities                             | (4,294,367)            | (3,438,649)       | 30,051,588                 | 250,000         |
| <b>Net cash inflow</b>                                                   | <b>2,923,975</b>       | <b>805,334</b>    | <b>29,294,577</b>          | <b>192,967</b>  |

## **18 Loans receivables**

|                                          | <b>The Group</b> |             | <b>The Company</b> |                   |
|------------------------------------------|------------------|-------------|--------------------|-------------------|
|                                          | <b>2026</b>      | <b>2025</b> | <b>2026</b>        | <b>2025</b>       |
|                                          | <b>€</b>         | <b>€</b>    | <b>€</b>           | <b>€</b>          |
| Loans to subsidiaries                    | -                | -           | 83,496,199         | 59,647,733        |
| Loans to other related party             | 400,000          | -           | -                  | -                 |
| <b>Total trade and other receivables</b> | <b>400,000</b>   | <b>-</b>    | <b>83,496,199</b>  | <b>59,647,733</b> |
| <b>Comprising:</b>                       |                  |             |                    |                   |
| Non-current                              | 400,000          | -           | 77,686,011         | 54,096,199        |
| Current                                  | -                | -           | 5,810,188          | 5,551,534         |
|                                          | <b>400,000</b>   | <b>-</b>    | <b>83,496,199</b>  | <b>59,647,733</b> |

On 6 June 2022, the Company extended loans to its subsidiary National Lottery plc amounting to €28.6 million. The loans were to part finance the subsidiary's projected capital expenditure for the years 2022 to 2025. Capital expenditure includes the purchase of new gaming equipment and costs associated with the refurbishment of the existing retail outlets. The loans to subsidiary are unsecured, bears interest of 5.75% and are repayable by 2 April 2029.

In 2023, the Company extended an additional loan to National Lottery plc amounting to €41 million to finance the National Lottery concession fee. The loan is unsecured, bears interest of 4.56% per annum and is repayable by equal monthly instalments of €571,100.

On 5 December 2025, the Company granted a loan of €4 million to its subsidiary, IZI International S.á r.l., to support the launch of its international investment initiatives. The loan is unsecured, bears interest at 5.75% per annum and is repayable on 5 December 2035.

On 1 May 2026, the Company granted an additional loan facility of €25 million to IZI International S.á r.l. to further support its international investment initiatives. As at 30 June 2026, €24.5 million had been drawn under this facility. The facility is unsecured, bears interest at 5.75% per annum and is repayable on 5 December 2035.

On 24 June 2026, the Company granted a loan of €900,000 to its subsidiary, IZI Services Limited, to support its international expansion strategy. The loan is unsecured, bears interest at 5.75% per annum and is repayable on 5 December 2035.

The loans to IZI International S.á r.l. and IZI Services Limited were funded from the net proceeds of the €30 million 5.5% Unsecured Bonds 2036 issued by the Company in April 2026.

The net carrying values of loans receivables are considered a reasonable approximation of fair value.

## **19 Other assets**

The Group's other assets include the following:

|                  | <b>The Group</b> |                  |
|------------------|------------------|------------------|
|                  | <b>2026</b>      | <b>2025</b>      |
|                  | <b>€</b>         | <b>€</b>         |
| Deferred charges | 1,510,371        | 1,762,100        |
| Deposits         | 382,182          | 300,873          |
| Guarantees       | 271,852          | 271,792          |
|                  | <b>2,164,405</b> | <b>2,334,765</b> |

Deferred charges include set-up costs to operate National Lottery Games in Malta. These costs will be amortised over a period of 10 years.

Security deposits are mainly deposits in relation to leased properties.

Guarantees include a €250,000 cash collateral to act as a security for the performance obligation in relation to the Dragonara Casino concession agreement.

## **20 Deferred tax asset (liability)**

Deferred taxes arising from temporary differences, unused tax losses and unabsorbed capital allowances can be summarised as follows:

| <b>The Group</b>                   | <b>1 July<br/>2025<br/>€</b> | <b>Recognised<br/>in profit<br/>for the year<br/>€</b> | <b>30 June<br/>2026<br/>€</b> |
|------------------------------------|------------------------------|--------------------------------------------------------|-------------------------------|
| Intangible assets                  | (19,504,510)                 | 994,089                                                | (18,510,421)                  |
| Property, plant and equipment      | (1,874,001)                  | (426,051)                                              | (2,300,052)                   |
| Investment properties              | (55,229)                     | -                                                      | (55,229)                      |
| Right-of-use assets                | 1,315,523                    | (38,695)                                               | 1,276,828                     |
| Revaluation of right-of-use assets | (6,815,908)                  | 118,073                                                | (6,697,835)                   |
| Unused tax losses                  | 16,412,184                   | (6,338,898)                                            | 10,073,286                    |
| Unused capital allowances          | 84,106                       | (72,019)                                               | 12,087                        |
| <b>Total</b>                       | <b>(10,437,835)</b>          | <b>(5,763,501)</b>                                     | <b>(16,201,336)</b>           |

### **Recognised as:**

|                        |                     |
|------------------------|---------------------|
| Deferred tax asset     | 52,330              |
| Deferred tax liability | (16,253,666)        |
|                        | <b>(16,201,336)</b> |

Deferred taxes for the comparative period can be summarised as follows:

| <b>The Group</b>                   | <b>1 July<br/>2024<br/>€</b> | <b>Recognised<br/>in profit<br/>for the year<br/>€</b> | <b>30 June<br/>2025<br/>€</b> |
|------------------------------------|------------------------------|--------------------------------------------------------|-------------------------------|
| Intangible assets                  | (18,496,743)                 | (1,007,767)                                            | (19,504,510)                  |
| Property, plant and equipment      | (1,326,397)                  | (547,604)                                              | (1,874,001)                   |
| Investment properties              | (55,229)                     | -                                                      | (55,229)                      |
| Right-of-use assets                | 1,141,239                    | 174,284                                                | 1,315,523                     |
| Revaluation of right-of-use assets | (6,933,981)                  | 118,073                                                | (6,815,908)                   |
| Unused tax losses                  | 17,726,094                   | (1,313,910)                                            | 16,412,184                    |
| Unused capital allowances          | 206,876                      | (122,770)                                              | 84,106                        |
| <b>Total</b>                       | <b>(7,738,141)</b>           | <b>(2,699,694)</b>                                     | <b>(10,437,835)</b>           |

### **Recognised as:**

|                        |                     |
|------------------------|---------------------|
| Deferred tax asset     | 375,664             |
| Deferred tax liability | (10,813,499)        |
|                        | <b>(10,437,835)</b> |

| <b>The Company</b> | <b>1 July<br/>2024<br/>€</b> | <b>Recognised<br/>in profit<br/>for the year<br/>€</b> | <b>30 June<br/>2025<br/>€</b> |
|--------------------|------------------------------|--------------------------------------------------------|-------------------------------|
| Unused tax losses  | 43,634                       | (43,634)                                               | -                             |
| <b>Total</b>       | <b>43,634</b>                | <b>(43,634)</b>                                        | <b>-</b>                      |

Refer to note 11 for information on the Group's tax expense.

## **21 Inventories**

Inventories recognised in the statements of financial position mainly comprise gaming consumables and food and beverages.

## **22 Trade and other receivables**

|                                          | <b>The Group</b>  |                   | <b>The Company</b> |                   |
|------------------------------------------|-------------------|-------------------|--------------------|-------------------|
|                                          | <b>2026<br/>€</b> | <b>2025<br/>€</b> | <b>2026<br/>€</b>  | <b>2025<br/>€</b> |
| Trade receivables                        | 1,358,032         | 1,005,488         | -                  | -                 |
| Payment processors                       | 496,939           | 351,159           | -                  | -                 |
| Amounts owed by subsidiaries             | -                 | -                 | 4,096,614          | 30,251,563        |
| Amounts owed by other related party      | 34,670            | 29,277            | -                  | -                 |
| Accrued income                           | 61,709            | 193,810           | -                  | -                 |
| Other receivables                        | 657,497           | 627,162           | -                  | -                 |
| <b>Financial assets</b>                  | <b>2,608,847</b>  | <b>2,206,896</b>  | <b>4,096,614</b>   | <b>30,251,563</b> |
| Advance payments                         | 113,320           | 153,408           | -                  | -                 |
| Prepayments                              | 973,695           | 971,846           | 34,969             | 25,102            |
| Other receivables                        | 6,907             | 10,795            | -                  | -                 |
| <b>Total trade and other receivables</b> | <b>3,702,769</b>  | <b>3,342,945</b>  | <b>4,131,583</b>   | <b>30,276,665</b> |
| <b>Comprising:</b>                       |                   |                   |                    |                   |
| Non-current                              | 40,000            | -                 | 2,660,185          | 30,211,341        |
| Current                                  | 3,662,769         | 3,342,945         | 1,471,398          | 65,324            |
|                                          | <b>3,702,769</b>  | <b>3,342,945</b>  | <b>4,131,583</b>   | <b>30,276,665</b> |

The amounts owed by subsidiaries and other related party are unsecured, interest-free and repayable on demand.

The net carrying values of financial assets are considered a reasonable approximation of fair value.

## **23 Cash and cash equivalents**

Cash and cash equivalents include the following components:

|               | <b>The Group</b>  |                   | <b>The Company</b> |                   |
|---------------|-------------------|-------------------|--------------------|-------------------|
|               | <b>2026<br/>€</b> | <b>2025<br/>€</b> | <b>2026<br/>€</b>  | <b>2025<br/>€</b> |
| Bank deposits | 39,544,287        | 3,470,254         | 11,362             | 1,683             |
| Cash in hand  | 4,789,738         | 3,563,503         | -                  | -                 |
|               | <b>44,334,025</b> | <b>7,033,757</b>  | <b>11,362</b>      | <b>1,683</b>      |

## **24 Share capital**

The share capital of IZI Finance p.l.c. consists of:

|                                         | <b>2026</b>        | <b>2025</b>        |
|-----------------------------------------|--------------------|--------------------|
|                                         | <b>€</b>           | <b>€</b>           |
| <b>Shares issued and fully paid-up</b>  |                    |                    |
| 80,000,000 ordinary A shares of €1 each | 80,000,000         | 80,000,000         |
| 1 ordinary B share of €1 each           | 1                  | 1                  |
|                                         | <b>80,000,001</b>  | <b>80,000,001</b>  |
| <b>Shares authorised</b>                |                    |                    |
| 99,999,999 ordinary A shares of €1 each | 99,999,999         | 99,999,999         |
| 1 ordinary B share of €1 each           | 1                  | 1                  |
|                                         | <b>100,000,000</b> | <b>100,000,000</b> |

Ordinary A shares are entitled to one vote at a general meeting and are entitled to receive dividend distributions. Ordinary B share does not carry voting rights and has no right to receive dividends nor is entitled to any assets upon dissolution or winding up of the Company.

## **25 Bank borrowings**

The carrying amounts of the Group's and Company's bank borrowings are as follows:

|             | <b>The Group</b>  |                   | <b>The Company</b> |                   |
|-------------|-------------------|-------------------|--------------------|-------------------|
|             | <b>2026</b>       | <b>2025</b>       | <b>2026</b>        | <b>2025</b>       |
|             | <b>€</b>          | <b>€</b>          | <b>€</b>           | <b>€</b>          |
| Non-current | 22,107,746        | 28,195,827        | 19,028,759         | 24,820,742        |
| Current     | 7,302,431         | 8,217,764         | 5,831,976          | 5,572,353         |
|             | <b>29,410,177</b> | <b>36,413,591</b> | <b>24,860,735</b>  | <b>30,393,095</b> |

The carrying amount of bank borrowings is considered to be a reasonable approximation of fair value.

All bank loans are secured by a first-ranking general hypothec over the Group's assets, with additional security provided by general and hypothecary guarantees from related companies and third parties, and, in certain cases, by pledges over the shares of certain group companies.

The Group's borrowing arrangements comprise multiple facilities with interest rates ranging from 4.5% to 5.95% per annum, all repayable by monthly instalments. Outstanding balances at year-end are disclosed below.

Among these facilities, the Group and Company maintain several term loans with various maturities. As at 30 June 2026, the Group's and Company's loans include:

- The Group's and Company's principal facility is a €41 million loan obtained in 2023, which bears interest at 4.56% per annum and is repayable in monthly instalments of €571,100 commencing July 2023. The outstanding balance of this facility as at 30 June 2026 is €24,860,735 (2025: €30,393,095), with €19,028,759 (2025: €24,820,742) classified as non-current and €5,831,976 (2025: €5,572,353) as current. This balance is presented net of unamortised transaction costs of €159,974 (2025: €199,967).
- During the previous financial year, the Group secured additional banking facilities totalling €3,000,000, bearing interest at 4.5% per annum and secured consistently with existing arrangements. As at 30 June 2026, the full €3,000,000 had been drawn (2025: €2,709,400), resulting in an outstanding balance of €2,689,575. Of this amount, €2,302,855 (2025: €2,372,455) is classified as non-current and €386,720 (2025: €336,945) as current.

- During the current financial year, the Group secured additional banking facilities totalling €1,000,000, bearing interest at 4.5% per annum. As at 30 June 2026, €857,237 of these facilities had been drawn, of which €776,132 is classified as non-current and €81,105 as current.
- Other bank loans of the Group aggregate €1,002,630 (2025: €3,311,096) and bear interest at rates between 5.15% and 5.95% per annum, repayable in monthly instalments. As at 30 June 2026, the carrying amount of these loans is €1,002,630 (2025: €3,311,096), classified entirely as current liabilities (2025: €1,002,630 non-current and €2,308,466 current), reflecting a variety of maturities and security arrangements, all in line with Group policy.

Total interest incurred by the Group and Company on bank borrowings is disclosed in note 10.

## **26 Debt securities in issue**

|                                       | <b>The Group</b>  |                   | <b>The Company</b> |                   |
|---------------------------------------|-------------------|-------------------|--------------------|-------------------|
|                                       | <b>2026</b>       | <b>2025</b>       | <b>2026</b>        | <b>2025</b>       |
|                                       | <b>€</b>          | <b>€</b>          | <b>€</b>           | <b>€</b>          |
| <b>Nominal value</b>                  |                   |                   |                    |                   |
| 4.25% unsecured bonds redeemable 2029 | 29,763,022        | 29,676,848        | 29,763,022         | 29,676,848        |
| 5.50% unsecured bonds redeemable 2036 | 29,378,206        | -                 | 29,378,206         | -                 |
|                                       | <b>59,141,228</b> | <b>29,676,848</b> | <b>59,141,228</b>  | <b>29,676,848</b> |
| <b>Comprising:</b>                    |                   |                   |                    |                   |
| 4.25% unsecured bonds redeemable 2029 | 30,000,000        | 30,000,000        | 30,000,000         | 30,000,000        |
| 5.50% unsecured bonds redeemable 2036 | 30,000,000        | -                 | 30,000,000         | -                 |
|                                       | <b>60,000,000</b> | <b>30,000,000</b> | <b>60,000,000</b>  | <b>30,000,000</b> |
| Issue costs                           | 1,240,773         | 603,218           | 1,240,773          | 603,218           |
| Accumulated amortisation              | (382,001)         | (280,066)         | (382,001)          | (280,066)         |
| <b>Closing net book amount</b>        | <b>858,772</b>    | <b>323,152</b>    | <b>858,772</b>     | <b>323,152</b>    |
| <b>Amortised costs at 30 June</b>     | <b>59,141,228</b> | <b>29,676,848</b> | <b>59,141,228</b>  | <b>29,676,848</b> |

On 14 April 2022, IZI Finance p.l.c. issued 300,000 unsecured bonds bearing interest at 4.25% per annum, with a nominal value of €100 per bond. The bonds are redeemable at their nominal value on 13 April 2029, and interest is payable annually on 14 April of each year. The bonds are listed on the Official List of the Malta Stock Exchange. The carrying amount of the bonds is stated net of direct issue costs of €236,978 (2025: €323,152), which are being amortised over the life of the bonds using the effective interest method.

On 26 March 2026, IZI Finance p.l.c. issued 300,000 unsecured bonds bearing interest at 5.5% per annum, with a nominal value of €100 per bond. The bonds are redeemable at their nominal value on 26 March 2036, and interest is payable annually on 2 April of each year. The bonds are listed on the Official List of the Malta Stock Exchange. The carrying amount of the bonds is stated net of direct issue costs of €621,794, which are being amortised over the life of the bonds using the effective interest method.

## **27 Other loans payable**

|                            | <b>The Company</b> |             |
|----------------------------|--------------------|-------------|
|                            | <b>2026</b>        | <b>2025</b> |
|                            | <b>€</b>           | <b>€</b>    |
| Loans owed to a subsidiary | 18,655,059         | -           |

The loan owed to a subsidiary amounting to €18,655,059 arose following the set-off of intercompany balances between the Company and National Lottery plc during the financial year. The outstanding balance was formalised through a loan agreement dated 30 June 2026. The loan bears interest at 3% per annum and is repayable by 30 June 2032.

## **28 Trade and other payables**

|                                          | <b>The Group</b>  |                   | <b>The Company</b> |                   |
|------------------------------------------|-------------------|-------------------|--------------------|-------------------|
|                                          | <b>2026</b>       | <b>2025</b>       | <b>2025</b>        | <b>2025</b>       |
|                                          | <b>€</b>          | <b>€</b>          | <b>€</b>           | <b>€</b>          |
| <b>Non-current</b>                       |                   |                   |                    |                   |
| Concession fee payable                   | 38,702,425        | 46,580,413        | -                  | -                 |
| Provisions                               | 500,000           | 500,000           | -                  | -                 |
| Cash guarantees from agents              | 157,500           | 157,500           | -                  | -                 |
| Amounts owed to parent company           | 715,000           | 2,610,212         | 715,000            | 2,610,212         |
| Amounts owed to subsidiary               | -                 | -                 | -                  | 48,161,323        |
| <b>Non-current financial liabilities</b> | <b>40,074,925</b> | <b>49,848,125</b> | <b>715,000</b>     | <b>50,771,535</b> |
| <b>Current</b>                           |                   |                   |                    |                   |
| Concession fee payable                   | 7,877,987         | 7,815,487         | -                  | -                 |
| Trade payables                           | 3,587,319         | 3,876,410         | 53,754             | 4,186             |
| Players' liability                       | 273,401           | 218,646           | -                  | -                 |
| Provisions                               | 1,233,392         | 975,857           | -                  | -                 |
| Amounts owed to parent company           | 100,000           | -                 | 100,000            | -                 |
| Amounts owed to other related parties    | 1,200,000         | 480,000           | -                  | -                 |
| Accruals                                 | 2,333,846         | 1,754,205         | 719,539            | 306,974           |
| Other payables                           | 68,256            | 346,635           | -                  | -                 |
| <b>Financial liabilities</b>             | <b>16,674,201</b> | <b>15,467,240</b> | <b>873,293</b>     | <b>311,160</b>    |
| Statutory liabilities                    | 3,173,355         | 3,276,916         | 1,050              | 1,050             |
| <b>Total current liabilities</b>         | <b>19,847,556</b> | <b>18,744,156</b> | <b>874,343</b>     | <b>312,210</b>    |

The carrying values of financial liabilities are considered to be a reasonable approximation of fair value.

The amounts owed to parent company, subsidiary and other related parties are unsecured, interest-free and repayable on demand.

## **29 Cash flow adjustments and changes in working capital**

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

|                                                        | <b>The Group</b>  |                    | <b>The Company</b> |                    |
|--------------------------------------------------------|-------------------|--------------------|--------------------|--------------------|
|                                                        | <b>2026</b>       | <b>2025</b>        | <b>2026</b>        | <b>2025</b>        |
|                                                        | <b>€</b>          | <b>€</b>           | <b>€</b>           | <b>€</b>           |
| <b>Adjustments:</b>                                    |                   |                    |                    |                    |
| Depreciation and amortisation                          | 20,562,060        | 19,651,477         | -                  | -                  |
| Impairment of property, plant and equipment            | -                 | 52,548             | -                  | -                  |
| Gain on termination/remeasurement of lease liabilities | (985)             | (98,902)           | -                  | -                  |
| Fair value gain on investment properties               | -                 | -                  | -                  | -                  |
| Dividend income                                        | -                 | -                  | (9,691,735)        | (1,846,154)        |
| Finance income                                         | (48,503)          | -                  | (3,419,092)        | (3,207,972)        |
| Finance costs                                          | 5,040,824         | 4,713,778          | 3,395,125          | 2,964,639          |
| Provision for jackpots and cash and bonus points       | 257,535           | 9,123              | -                  | -                  |
|                                                        | <b>25,810,931</b> | <b>24,328,024</b>  | <b>(9,715,702)</b> | <b>(2,089,487)</b> |
| <b>Net changes in working capital:</b>                 |                   |                    |                    |                    |
| Changes in inventories                                 | 63,983            | 15,166             | -                  | -                  |
| Changes in trade and other receivables                 | (142,549)         | (217,883)          | (1,033,815)        | 762,011            |
| Changes in trade and other payables                    | (443,484)         | (2,899,125)        | 3,024,386          | (663,105)          |
|                                                        | <b>(522,050)</b>  | <b>(3,101,842)</b> | <b>1,990,571</b>   | <b>98,906</b>      |

## **30 Related party transactions**

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash. Amounts owed by/to related parties are shown separately in notes 18, 22, 27 and 28.

### **30.1 Transactions with subsidiaries**

Transactions with subsidiaries are disclosed in notes 8, 10 and 17.1. Reference should also be made to note 30.2 below.

### **30.2 Transactions with parent company**

During the previous financial year, the Group, through its property company, IZI Properties Limited, acquired property, plant and equipment amounting to €608,356 and investment property amounting to €2,660,185 from JGS Corporate Holdings Limited. No similar transactions occurred during the current financial year.

The Company declared dividends to its parent company amounting to €1,936,000 (2025: €1,084,000). Of this amount, €1,836,000 was paid during the year, with the remaining balance of €100,000 outstanding as at 30 June 2026.

## **31 Contingent liabilities**

|                                                     | <b>The Group</b> |             | <b>The Company</b> |             |
|-----------------------------------------------------|------------------|-------------|--------------------|-------------|
|                                                     | <b>2026</b>      | <b>2025</b> | <b>2026</b>        | <b>2025</b> |
|                                                     | <b>€</b>         | <b>€</b>    | <b>€</b>           | <b>€</b>    |
| Guarantees given in the ordinary course of business | 30,968,338       | 38,849,156  | 29,020,707         | 34,593,062  |

## **32 Financial instrument risk**

### **Risk management objectives and policies**

The Group and the Company are exposed to various risks in relation to financial instruments. The Group's and the Company's financial assets and liabilities by category are summarised in note 32.4. The main types of risks are credit risk, liquidity risk and market risk.

The Group's and the Company's risk management is coordinated by the directors and focuses on actively securing the Group's and the Company's short to medium term cash flows by minimising the exposure to financial risk.

The Group and the Company do not actively engage in the trading of financial assets for speculative purposes, nor do they write options. The most significant financial risks to which the Group and the Company are exposed are described below.

### **32.1 Credit risk**

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group and the Company. The Group's and the Company's exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

|                                                      | Notes | The Group         |                  | The Company       |                   |
|------------------------------------------------------|-------|-------------------|------------------|-------------------|-------------------|
|                                                      |       | 2026              | 2025             | 2026              | 2025              |
|                                                      |       | €                 | €                | €                 | €                 |
| <b>Classes of financial assets - carrying amount</b> |       |                   |                  |                   |                   |
| - Loans receivable                                   | 18    | 400,000           | -                | 83,496,199        | 59,647,733        |
| - Deposits                                           | 19    | 382,182           | 300,873          | -                 | -                 |
| - Guarantees                                         | 19    | 271,852           | 271,792          | -                 | -                 |
| - Trade and other receivables                        | 22    | 2,608,847         | 2,206,896        | 4,096,614         | 30,251,563        |
| - Cash and cash equivalents                          | 23    | 44,334,025        | 7,033,757        | 11,362            | 1,683             |
|                                                      |       | <b>47,996,906</b> | <b>9,813,318</b> | <b>87,604,175</b> | <b>89,900,979</b> |

The Group and the Company continuously monitor defaults of counterparties, identified either individually or by group, and incorporate this information into their credit risk controls. Where available at reasonable cost, external credit ratings and/or reports on counterparties are obtained and used. The Group's and the Company's policy is to deal only with creditworthy counterparties.

Management considers that all of the above financial assets that are not impaired or past due at each of the reporting dates under review are of good credit quality.

### **Trade and other receivables**

In respect of trade and other receivables, the Group is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Trade receivables consist of amounts receivable from third party stores which are settled after year-end. Based on historical information about customer default rates, management consider the credit quality of trade receivables that are not past due or impaired to be good.

### **Related-party receivables - Company**

The Company is exposed to credit risk in relation to amounts due from related parties, principally loans and other receivables owed by subsidiary undertakings. These balances are monitored as part of the Company's overall treasury and liquidity management. Management assesses the credit quality of these related-party receivables by considering the financial position, performance and cash-flow generation of the relevant subsidiaries, as well as the strategic importance of those entities to the Group.

At the reporting date, management considers that there has been no significant increase in credit risk on these related-party balances and that they remain recoverable in full. Accordingly, no impairment allowance has been recognised in respect of loans and other receivables due from subsidiaries in the Company's financial statements.

### **Cash and cash equivalents**

The credit risk for cash and cash equivalents is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

The Company banks with local institutions in Malta, while certain international subsidiaries bank with institutions in Luxembourg and Austria. Cash and cash equivalents are accordingly held with counterparties in Malta, Luxembourg and Austria. At 30 June 2026, these balances are held with institutions rated BBB or higher and are callable on demand. Management considers the probability of default to be close to zero, as these counterparties have a strong capacity to meet their contractual obligations in the near term. Consequently, no loss allowance has been recognised based on 12-month expected credit losses, as any such impairment would be insignificant to the Group.

## **32.2 Liquidity risk**

Liquidity risk is the risk that the Group or the Company might be unable to meet their obligations. The Group and the Company manage their liquidity needs through annual cash flow forecasts, carefully monitoring expected cash inflows and outflows on a monthly basis. The Group's and the Company's liquidity risk is not deemed to be significant, given the matching of cash inflows and outflows arising from the expected maturities of financial instruments, as well as the Group's and the Company's committed borrowing facilities, which can be accessed to meet liquidity needs.

As at 30 June 2026, the non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarised on the next page:

|                                         | <b>Within 1 year</b> | <b>2 to 5 years</b> | <b>Later than</b>  | <b>Total</b>       |
|-----------------------------------------|----------------------|---------------------|--------------------|--------------------|
|                                         | <b>€</b>             | <b>€</b>            | <b>5 years</b>     | <b>€</b>           |
| <b>The Group</b>                        |                      |                     |                    |                    |
| Bank borrowings                         | 8,496,928            | 23,394,066          | 789,082            | 32,680,076         |
| Debt securities in issue                | 2,925,000            | 40,425,000          | 38,250,000         | 81,600,000         |
| Deferred consideration                  | 7,877,987            | 30,974,444          | 7,727,981          | 46,580,412         |
| Trade payables                          | 3,587,319            | -                   | -                  | 3,587,319          |
| Players' liability                      | 273,401              | -                   | -                  | 273,401            |
| Amounts owed to ultimate parent company | -                    | 715,000             | -                  | 715,000            |
| Amounts owed to parent company          | 100,000              | -                   | -                  | 100,000            |
| Amounts owed to other related parties   | 1,200,000            | -                   | -                  | 1,200,000          |
| Provisions                              | 1,233,392            | -                   | 500,000            | 1,733,392          |
| Cash guarantees from agents             | -                    | -                   | 157,500            | 157,500            |
| Accruals                                | 1,654,531            | -                   | -                  | 1,654,531          |
| Lease liabilities                       | 2,735,987            | 9,799,434           | 67,707,656         | 80,243,077         |
| Other payables                          | 68,256               | -                   | -                  | 68,256             |
|                                         | <b>30,152,801</b>    | <b>105,307,944</b>  | <b>115,132,219</b> | <b>250,592,964</b> |

|                                         | Within 1 year<br>€ | 2 to 5 years<br>€ | Later than<br>5 years<br>€ | Total<br>€         |
|-----------------------------------------|--------------------|-------------------|----------------------------|--------------------|
| <b>The Company</b>                      |                    |                   |                            |                    |
| Bank borrowings                         | 6,853,200          | 20,564,514        | -                          | 27,417,714         |
| Debt securities in issue                | 2,925,000          | 40,425,000        | 38,250,000                 | 81,600,000         |
| Trade payables                          | 53,754             | -                 | -                          | 53,754             |
| Amounts owed to ultimate parent company | -                  | 715,000           | -                          | 715,000            |
| Amounts owed to parent company          | 100,000            | -                 | -                          | 100,000            |
| Loans owed to a subsidiary              | -                  | -                 | 18,655,059                 | 18,655,059         |
| Accruals                                | 40,224             | -                 | -                          | 40,224             |
|                                         | <b>9,972,178</b>   | <b>61,704,514</b> | <b>56,905,059</b>          | <b>128,581,751</b> |

This compares to the maturity of the Group's and the Company's non-derivative financial liabilities in the previous reporting period as follows:

|                                         | Within 1 year<br>€ | 2 to 5 years<br>€  | Later than<br>5 years<br>€ | Total<br>€         |
|-----------------------------------------|--------------------|--------------------|----------------------------|--------------------|
| <b>The Group</b>                        |                    |                    |                            |                    |
| Bank borrowings                         | 9,765,714          | 30,443,128         | 2,555,898                  | 42,764,740         |
| Debt securities in issue                | 1,275,000          | 33,825,000         | -                          | 35,100,000         |
| Deferred consideration                  | 7,815,487          | 31,124,444         | 15,455,969                 | 54,395,900         |
| Trade payables                          | 3,876,410          | -                  | -                          | 3,876,410          |
| Players' liability                      | 218,646            | -                  | -                          | 218,646            |
| Amounts owed to ultimate parent company | -                  | 2,610,212          | -                          | 2,610,212          |
| Amounts owed to other related parties   | 480,000            | -                  | -                          | 480,000            |
| Provisions                              | 975,857            | -                  | 500,000                    | 1,475,857          |
| Cash guarantees from agents             | -                  | -                  | 157,500                    | 157,500            |
| Accruals                                | 1,481,739          | -                  | -                          | 1,481,739          |
| Lease liabilities                       | 2,487,916          | 8,045,558          | 68,324,578                 | 78,858,052         |
| Other payables                          | 346,635            | -                  | -                          | 346,635            |
|                                         | <b>28,723,404</b>  | <b>106,048,342</b> | <b>86,993,945</b>          | <b>221,765,691</b> |
| <b>The Company</b>                      |                    |                    |                            |                    |
| Bank borrowings                         | 6,853,200          | 27,417,714         | -                          | 34,270,914         |
| Debt securities in issue                | 1,275,000          | 33,825,000         | -                          | 35,100,000         |
| Trade payables                          | 4,186              | -                  | -                          | 4,186              |
| Amounts owed to ultimate parent company | -                  | 2,610,212          | -                          | 2,610,212          |
| Amounts owed to subsidiary              | -                  | 48,161,323         | -                          | 48,161,323         |
| Accruals                                | 34,508             | -                  | -                          | 34,508             |
|                                         | <b>8,166,894</b>   | <b>112,014,249</b> | <b>-</b>                   | <b>120,181,143</b> |

### **32.3 Market risk**

#### **Foreign currency risk**

The Group and the Company transact business mainly in euro. Exposure to currency exchange rates arise from the Group's and the Company's sale and purchase of foreign currency to/from clients. However, foreign currency denominated financial assets and liabilities at the end of the financial reporting date under review are deemed negligible.

Accordingly, the Group's and the Company's exposure to foreign exchange risk is not significant and a sensitivity analysis for foreign exchange risk disclosing how profit or loss and equity would have been affected by changes in foreign exchange rates that were reasonably possible at the reporting date is deemed not necessary.

### **Interest rate risk**

The Group and the Company are exposed to changes in market interest rates through its borrowings at variable interest rates.

The following table illustrates the sensitivity of the net result for the year to a reasonably possible change in interest rates of +/- 100 basis points, with effect from the beginning of the year. These changes are considered to be reasonably possible based on observation of current market conditions.

The calculations are based on the Group's and the Company's financial instruments held at the reporting date of the reporting period under review that are sensitive to changes in interest rates. All other variables are held constant.

|              | <b>The Group</b>           |                | <b>The Company</b>         |                |
|--------------|----------------------------|----------------|----------------------------|----------------|
|              | <b>Profit for the year</b> |                | <b>Profit for the year</b> |                |
|              | €                          | €              | €                          | €              |
|              | <b>+100 bp</b>             | <b>-100 bp</b> | <b>+100 bp</b>             | <b>-100 bp</b> |
| 30 June 2026 | (294,102)                  | 294,102        | (248,607)                  | (248,607)      |
| 30 June 2025 | (364,136)                  | 364,136        | (303,931)                  | (303,931)      |

### **32.4 Categories of financial assets and liabilities**

The carrying amounts of the Group's and the Company's financial assets and liabilities as recognised at the reporting date of the reporting period under review may also be categorised as follows. See note 5.20 for explanations about how the category of financial instruments affects their subsequent measurement.

|                                                  | <b>Notes</b> | <b>The Group</b>   |                    | <b>The Company</b> |                    |
|--------------------------------------------------|--------------|--------------------|--------------------|--------------------|--------------------|
|                                                  |              | <b>2026</b>        | <b>2025</b>        | <b>2026</b>        | <b>2025</b>        |
|                                                  |              | €                  | €                  | €                  | €                  |
| <b>Financial assets at amortised costs:</b>      |              |                    |                    |                    |                    |
| - Loans receivable                               | 18           | 400,000            | -                  | 83,496,199         | 59,647,733         |
| - Deposits                                       | 19           | 382,182            | 300,873            | -                  | -                  |
| - Guarantees                                     | 19           | 271,852            | 271,792            | -                  | -                  |
| - Trade and other receivables                    | 22           | 2,608,847          | 2,206,896          | 4,096,614          | 30,251,563         |
| - Cash and cash equivalents                      | 23           | 44,334,025         | 7,033,757          | 11,362             | 1,683              |
|                                                  |              | <b>47,996,906</b>  | <b>9,813,318</b>   | <b>87,604,175</b>  | <b>89,900,979</b>  |
| <b>Financial liabilities at amortised costs:</b> |              |                    |                    |                    |                    |
| - Lease liabilities                              | 15           | 30,280,060         | 28,064,937         | -                  | -                  |
| - Bank borrowings                                | 25           | 29,410,177         | 36,413,591         | 24,860,735         | 30,393,095         |
| - Debt securities in issue                       | 26           | 59,141,228         | 29,676,848         | 59,141,228         | 29,676,848         |
| - Other loans payable                            | 27           | -                  | -                  | 18,655,059         | -                  |
| - Trade and other payables                       | 28           | 56,749,126         | 65,315,365         | 1,588,293          | 51,082,695         |
|                                                  |              | <b>175,580,591</b> | <b>159,470,741</b> | <b>104,245,315</b> | <b>111,152,638</b> |

### **33 Capital management policies and procedures**

The Group's and the Company's capital management objectives are to ensure their ability to continue as a going concern and to provide an adequate return to shareholders through innovation, continuous improvement in quality service, resource utilisation, increasing the market share and flexibility.

The Group and the Company monitor the level of debt, which includes borrowings and trade and other payables, less the bank balance against total capital on an ongoing basis. The directors consider the Group's and the Company's gearing level at year-end to be appropriate for its business.

### **34 Ultimate controlling party**

The Company's parent company, JGS Corporate Holdings Limited (formerly IZI Group Limited), is ultimately controlled by Johann Schembri, who owns 99.9% of the parent company's issued share capital.

### **35 Events after the end of the reporting period**

Subsequent to the reporting date, Triple Crown S.á r.l., a subsidiary of IZI International S.á r.l., was liquidated by means of a deed effective 20 August 2026. The liquidation formed part of the Group's ongoing corporate restructuring and rationalisation of its international operations.

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

## Independent auditor's report

To the shareholders of IZI Finance p.l.c.

### Report on the audit of the financial statements

#### Opinion

We have audited the financial statements of IZI Finance p.l.c. ('the Company') and the consolidated financial statements of the group of which it is the parent, which comprise the statements of financial position as at 30 June 2026, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company and the Group as at 30 June 2026, and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU), and have been properly prepared in accordance with the requirements of the Companies Act, Cap. 386 ('the Act').

Our opinion is consistent with our additional report to the audit committee.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company and the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements of the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act, Cap. 281 that are relevant to our audit of the financial statements in Malta. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In conducting our audit, we have remained independent of the Company and the Group and have not provided any of the non-audit services prohibited by article 18A of the Accountancy Profession Act, Cap. 281. The non-audit services that we have provided to the Company and the Group during the year ended 30 June 2026 are disclosed in note 9 to the financial statements.

**Key audit matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We summarise below the key audit matters, together with our response by way of the audit procedures we performed to address those matters in our audit.

**Impairment testing of Goodwill and other intangible assets in the consolidated financial statements*****Key audit matter***

Goodwill with a carrying amount of €61.6 million as at 30 June 2026 is included in the Group's Statement of Financial Position at that date. The Group's intangible assets include concession fee and trademarks and domains of €95 million.

Management is required to perform an assessment at least annually to establish whether goodwill and other intangibles should continue to be recognised, or if any impairment is required. The assessment was performed at the lowest level at which the Group could allocate and assess goodwill, which is referred to as a cash generating unit ('CGU').

The impairment assessment was based on the calculation of a value-in-use for each of the CGUs. This calculation was based on estimated future cash flows for each CGU, including assumptions concerning revenue growth, profit margins, weighted average cost of capital and effective tax rates.

Estimating future profitability requires management to apply significant judgements which include estimating future taxable profits, long term growth and discount rates. The estimation of future cash flows and the level to which they are discounted is inherently uncertain and requires judgement.

We focused on this area because of the significance of the amount of goodwill and other intangibles recognised at the balance sheet date. Moreover, managements' assessment process is complex and highly judgemental and is based on assumptions which are affected by expected future market or economic conditions.

***How the key audit matter was addressed in our audit***

We evaluated the suitability and appropriateness of the impairment methodology applied by management and engaged our internal valuation specialist resources to assess the reliability of the managements' forecasts and to challenge the methodology used and the underlying assumptions. We concluded that the parameters utilised were reasonable.

We communicated with management and those charged with governance and noted that they were able to provide satisfactory responses to our questions. We also assessed the adequacy of the disclosures made in notes 5, 12 and 13 of the financial statements relating to goodwill and intangibles, including those regarding the key assumptions used in assessing their carrying amounts. Those disclosures specifically explain that the directors have assessed the carrying amounts of goodwill and other intangibles as at 30 June 2026 to be recoverable.

We have no key observations to report, specific to this matter.

### **Impairment assessment of right-of-use asset in the consolidated financial statements**

#### ***Key audit matter***

The carrying amount of the Group's right-of-use asset carried at revalued amounts as at 30 June 2026 totalled €33.9 million.

Management performs an assessment to establish whether the value of sub-empythesis, which is accounted for as a right-of-use asset, should continue to be recognised, or whether any impairment is required.

We focused on this area because of the significance of the carrying amount of the right-of-use asset at the statement of financial position date. Moreover, the directors' assessment process is highly judgemental.

#### ***How the key audit matter was addressed in our audit***

We evaluated the suitability and appropriateness of the impairment methodology applied by management and engaged our internal valuation specialist resources to assess the reliability of management's workings and to challenge the methodology used and the underlying assumptions. We concluded that the parameters utilised were reasonable.

We communicated with management and those charged with governance and noted that they were able to provide satisfactory responses to our questions.

We have no key observations to report, specific to this matter.

### **Fair value of investment properties**

#### ***Key audit matter***

The Group measures its investment properties at fair value as described in note 16. Due to the significance of the value of the investment properties to the Group, and the estimation uncertainty involved in its measurement, we have considered the valuation of investment properties as a key audit matter.

#### ***How the key audit matter was addressed in our audit***

The Group's architect conducted a valuation exercise of the investment properties held by the Group in order to estimate the fair value that the assets fetch in a free market transaction between a willing buyer and willing seller, in an arm's length transaction.

Management used a mix of approaches to determine the value of the investment properties. For property in use, the income approach or market approach was used. In the income approach management estimated the expected free cash flows to be derived from the operation of the properties using market rental rates of comparable properties and/or the contractual rental rates and an expected exit value based on a certain capitalisation rate. In the market approach the value of the asset was determined by comparing the asset to similar assets in the market. This process is highly judgmental as it uses certain assumptions such as construction rates, future increases in fair market rental/selling rates, discount rates and capitalisation rates. We also assessed the adequacy of the disclosures made in note 16 to the financial statements relating to these properties.

Our procedures focused on the valuation process and included the following:

- We reviewed the underlying basis of valuation applied by the directors to assess whether the valuation approach was consistent with IFRS and industry norms;
- We involved our internal valuation specialists to assess the appropriateness of the underlying key assumptions and factors used and applied alternative valuation techniques in order to assess whether the valuation falls within an acceptable range as at 30 June 2026;
- We also assessed the adequacy of the disclosures made in note 16 to the financial statements relating to these properties.

We have no key observations to report specific to this matter.

## **Turnover and revenue in the consolidated financial statements**

### ***Key audit matter***

Turnover and gross gaming revenue amounting to €1.172 billion and €111.5 million, respectively, mainly comprise revenues from the land-based casino operated by Dragonara Gaming Limited, National Lottery, iZiBET retail outlets operated by National Lottery plc and online gaming operated by IZI Interactive Limited. Refer to note 6 for the segment reporting information.

We focused on revenue given its overall significance to the financial statements and the reliance on a number of IT systems and manual reconciliation of revenue to system reports.

### ***How the key audit matter was addressed in our audit***

As part of our audit procedures, we obtained an understanding of the significant transaction flows and critical IT systems and examined the most important controls in order to manage the risk of misstatements in the financial reporting. Using our IT specialists, we assessed the administration of access, changes and daily IT operations for key layers of underlying infrastructure for the systems in scope of the audit and tested the operating effectiveness of the processes and controls.

In addition, to place reliance on the system generated information and any automated controls implemented in these systems, we have reviewed business process controls and performed additional substantive procedures as part of our audit.

We have also assessed whether the accounting principles applied and disclosures made in these financial statements are correct and in accordance with IFRS.

We have no key observations to report, specific to this matter.

### **Impairment assessment of carrying amount of investments in subsidiaries in the company's financial statements**

#### ***Key audit matter***

During the year ended 30 June 2026, management carried out an assessment to establish whether the carrying amount of investments in subsidiaries in the financial statements of the Company at 30 June 2026 should continue to be recognised, or if any impairment is required.

We focused on this area because of the significance of the investments in subsidiaries which at 30 June 2026, amounted to €104 million. Moreover, the directors' assessment process is complex and highly judgemental and is based on assumptions, such as forecast growth rates, profit margins, weighted average cost of capital and effective tax rate, which are affected by expected future market and economic conditions.

#### ***How the key audit matter was addressed in our audit***

We evaluated the suitability and appropriateness of the impairment methodology applied by management and engaged our internal valuation specialist resources to assess the reliability of the directors' forecasts and to challenge the methodology used and the underlying assumptions. We concluded that the parameters utilised were reasonable.

We communicated with management and those charged with governance and noted that they were able to provide satisfactory responses to our questions. We also assessed the adequacy of the disclosures made in note 5.25 of the financial statements relating to investments, including those regarding the key assumptions used in assessing their carrying amount. Those disclosures specifically explain that the directors have assessed the carrying amount of investments as at 30 June 2026 to be recoverable and that there is no impairment in the value of the investments.

We have no key observations to report, specific to this matter.

### **Recoverability of loans advanced to subsidiaries in the company's financial statements**

#### ***Key audit matter***

Included in loans receivable and trade and other receivables at 30 June 2026 are balances amounting to €87.6 million due from subsidiaries. These represent a significant portion of the company's assets and are disclosed in notes 18 and 22.

#### ***How the key audit matter was addressed in our audit***

We have examined and agreed the balances and terms of the loans amounting to €83.5 million to the supporting loan agreements and agreed the loans receivable and other balances amounting to €4.1 million to the accounting records of the respective subsidiaries at balance sheet date.

The recoverability of the balances was ascertained by assessing the financial soundness of the subsidiaries by reference to their latest financial information, cash flow projections and forecasts.

On the basis of our work, we determined that management's assessment that the loans and other receivables from subsidiaries are recoverable was reasonable.

### **Other information**

The directors are responsible for the other information. The other information comprises the (i) Directors' report, (ii) Statement by the directors on the financial statements, and (iii) Directors' statement of compliance with the Code of Principles of Good Corporate Governance, which we obtained prior to the date of this auditor's report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information, including the Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

With respect to the Directors' report, we also considered whether the Directors' report includes the disclosures required by Article 177 of the Act.

Based on the work we have performed, in our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements, and the Directors' report has been prepared in accordance with the Act.

In addition, in light of the knowledge and understanding of the Company and the Group and their environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Directors' report and other information that we obtained prior to the date of this auditor's report. We have nothing to report in this regard.

### **Responsibilities of the directors for the financial statements**

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS as adopted by the EU and are properly prepared in accordance with the provisions of the Act and the Gaming Act, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Company's and the Group's financial reporting process.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's and the Group's ability to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate evidence regarding the financial information of the entities or business activities within the Company and the Group to express an opinion on the separate and consolidated financial statements. We are responsible for the direction, supervision and performance of the Company and the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefit of such communication.

### **Reports on other legal and regulatory requirements**

#### ***Report on compliance with the requirements of the European Single Electronic Format Regulatory Technical Standard (the "ESEF RTS"), by reference to Capital Markets Rule 5.55.6***

We have undertaken a reasonable assurance engagement in accordance with the requirements of Directive 6 issued by the Accountancy Board in terms of the Accountancy Profession Act (Cap. 281) - the Accountancy Profession (European Single Electronic Format) Assurance Directive (the "ESEF Directive 6") on the Report and Consolidated Financial Statements of IZI Finance p.l.c. for the year ended 30 June 2026, entirely prepared in a single electronic reporting format.

### **Responsibilities of the directors**

The directors are responsible for the preparation of the Report and Consolidated Financial Statements and the relevant mark-up requirements therein, by reference to Capital Markets Rule 5.56A, in accordance with the requirements of the ESEF RTS.

### **Our responsibilities**

Our responsibility is to obtain reasonable assurance about whether the Report and Consolidated Financial Statements and the relevant electronic tagging therein comply, in all material respects, with the ESEF RTS based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with the requirements of ESEF Directive 6.

### **Our procedures included:**

- Obtaining an understanding of the entity's financial reporting process, including the preparation of the Report and Consolidated Financial Statements, in accordance with the requirements of the ESEF RTS.
- Obtaining the Report and Consolidated Financial Statements and performing validations to determine whether the Report and Consolidated Financial Statements have been prepared in accordance with the requirements of the technical specifications of the ESEF RTS.
- Examining the information in the Report and Consolidated Financial Statements to determine whether all the required taggings therein have been applied and whether, in all material respects, they are in accordance with the requirements of the ESEF RTS.
- We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Opinion

In our opinion, the Report and Consolidated Financial Statements for the year ended 30 June 2026 have been prepared, in all material respects, in accordance with the requirements of the ESEF RTS.

### ***Report on the Directors' Statement of Compliance with the Code of Principles of Good Corporate Governance***

The Capital Market Rules require the directors to prepare and include in their Annual Report a Statement of Compliance providing an explanation of the extent to which they have adopted the Code of Principles of Good Corporate Governance and the effective measures that they have taken to ensure compliance throughout the accounting year with those Principles.

The Capital Market Rules also require us, as the auditor of the Company, to include a report on the Statement of Compliance prepared by the directors.

We read the Directors' statement of compliance with the Code of Principles of Good Corporate Governance and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements included in the Annual Report. Our responsibilities do not extend to considering whether this statement is consistent with any other information included in the Annual Report.

We are not required to, and we do not, consider whether the Board's statements on internal control included in the statement of compliance with the Code of Principles of Good Corporate Governance cover all risks and controls, or form an opinion on the effectiveness of the Group's corporate governance procedures or its risk and control procedures.

In our opinion, the corporate governance statement has been properly prepared in accordance with the requirements of the Capital Market Rules.

### ***Other matters on which we are required to report by exception***

We also have responsibilities

- under the Companies Act, Cap. 386 to report to you if, in our opinion:
  - adequate accounting records have not been kept, or that returns adequate for our audit have not been received from branches not visited by us;
  - the financial statements are not in agreement with the accounting records and returns;
  - we have not received all the information and explanations we require for our audit; or
  - certain disclosures of directors' remuneration specified by law are not made in the financial statements, giving the required particulars in our report.
- in terms of Capital Market Rules to review the statement made by the Directors that the business is a going concern together with supporting assumptions or qualifications as necessary.

We have nothing to report to you in respect of these responsibilities.

**Auditor tenure**

We were first appointed as auditors of the Company and Group on 17 June 2022. Our appointment has been renewed annually by shareholders' resolutions, representing a total period of uninterrupted engagement of five years.

The Principal on the audit resulting in this independent auditor's report is Sharon Causon.

Sharon Causon (Principal) for and on behalf of  
**GRANT THORNTON**  
**Certified Public Accountants**

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Triq L-Intornjatur, Zone 1  
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29 September 2026