LOTTOMATICA GROUP S.P.A.

BEST Q1 RESULTS EVER WITH ADJUSTED EBITDA OF €220M (+47% YOY). INCREASED TARGET SYNERGIES AT €87M. €500M SHARE BUYBACK TO START IN JUNE. COMPLETED REFINANCING WITH THE ISSUANCE OF €1.1BN OF SENIOR SECURED NOTES RESULTING IN RUN-RATE SAVINGS OF €24M. CREDIT RATING UPGRADED TO BB (S&P) AND BA2 (MOODY'S).

Rome (Italy), *7 May 2025* – The Board of Directors of Lottomatica Group S.p.A. approved the Condensed Consolidated Interim Financial Statements for the three months ended 31 March 2025.

Q1 2025 Results summary[1]

- **Bets** of Euro 11.2 billion, +28% compared to Q1 2024
  - Online bets growth YoY of +46%
- **GGR[2]** of Euro 1,224.4 million, +21% compared to Q1 2024
  - **Total Online market share:** at 30.4% in Q1 (+1.6 p.p. versus Q1 2024)
  - **iSports market share:** at 31.8% in Q1 (+0.9 p.p. versus Q1 2024)
  - **iGaming market share:** at 30.3% in Q1 (+2.1 p.p. versus Q1 2024)
- **Revenues of Euro 585.7 million[3], +33% compared to Q1 2024**, +21% at normalised payout[4]
  - **Online** of Euro 239.8 million, +59% compared to Q1 2024, +43% at normalised payout[4];
  - **Sports Franchise** of Euro 150.4 million, +59% compared to Q1 2024, +25% at normalised payout[4];
  - **Gaming Franchise** of Euro 195.5 million[3], +0.1% compared to Q1 2024;
- **Adjusted EBITDA[5] of Euro 220.5 million, +47% compared to Q1 2024**, +18% at normalised payout[4]
- **Operating cash flow[6]** of Euro 184.4 million
- **Adjusted Net Profit[7]** of Euro 94.7 million
- **Net financial debt** at Euro 1,804.9 million equivalent to 2.1x on LTM run-rate Adjusted EBITDA[8]
- **PWO target synergies upgraded:** Additional €12.5 million cost synergies identified, bringing the **total target synergies to €87 million (from €75 million)** by 2026
- **Guidance[4] for fiscal year 2025 confirmed**: Euro 2,320 - 2,370[4] million of revenues, Euro 840 – 870[4] million of Adjusted EBITDA
- **Buyback program to start in June 2025**: up to Euro 500 million over the next 18 months
- **Refinancing successfully completed:** ~€24m per annum of run-rate interest savings expected from 2026. Credit rating upgraded to BB by S&P and to Ba2 by Moody's. All maturities now extended to 2030 or beyond.

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[1] Reported data, 2024 figures include PWO contribution from 1 May 2024.
[2] Market shares are based on GGR. GGR (or gross gaming revenues) refers to the difference between bet and winnings. This applies to the entire document.
[3] Includes Cristaltec group revenues of Euro 1.2 million, consistent with the approach adopted by management to monitor the results of the operating segments.
[4] Calculated assuming a normalised sports betting payout of 80.5% for retail and 85.5% for online.
[5] Adjusted EBITDA is calculated as net profit for the period adjusted for: income tax expense; finance income and expenses; share of profit/(loss) of equity accounted investments; depreciation, amortization and impairments; Adjusted EBITDA (as defined herein) of equity accounted investments in which the Group holds an interest of more than 50%; costs related to M&A and international activities; integration costs and other income and expenses that are not reasonably expected to arise in future periods. This applies to the entire document.
[6] Operating cash flow is calculated as Adjusted EBITDA net of recurring capex and concession capex.
[7] Adjusted Net Profit calculated as net profit for the period adjusted for: (i) amortization of higher value of assets resulting from business combinations following the purchase price allocation process; (ii) other non-recurring costs and income excluded from Adjusted EBITDA, (iii) financial income and expenses that, due to their nature, are not reasonably expected to recur in future periods, (iv) other non-monetary items including in financial expenses and (v) tax effects on such adjustments.
[8] LTM run-rate Adjusted EBITDA is calculated as Adjusted EBITDA for the last twelve months ended 31 March 2025, proforma for the acquisition of PWO, bolt-ons and run-rate synergies.

Guglielmo Angelozzi, Chief Executive Officer of Lottomatica Group, commented: *"We are off to a great start of the year, registering our best Q1 results ever and paving the way for a successful 2025. The integration of PWO proceeds at speed and additional synergies have been identified. Market trends support our organic growth path and we feel confident in the strength of our business, even against the current macroeconomic environment. Also, we have successfully completed the refinancing for an amount of €1,100 million, resulting in material interest savings. Finally, in light of our strong balance sheet and cash flow generation, we will start the buyback programme of up to €500 million in the next 18 months, which will continue to compete with M&A and other capital allocation opportunities, with a view to maximise shareholder returns."*

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Key consolidated results for Q1 2025

Please note that PWO has been consolidated in the reported numbers since 1 May 2024.

Bets by segment

(Euro million, %)	Q1 2025	Q1 2024	YoY %
Online	7,363	5,055	+46%
Sports Franchise	1,046	822	+27%
Gaming Franchise	2,769	2,857	(3%)
Total Bets	**11,179**	**8,734**	**+28%**

In Q1 2025, Lottomatica collected bets for Euro 11.2 billion, +28% compared to Q1 2024. The Online segment continued to grow faster, with bets up +46% compared to Q1 2024.

Revenues by segment

(Euro thousands, %)	Q1 2025	Q1 2024	YoY %	YoY @ PO normalised[8] (%)
Online	239,816	150,395	+59%	+43%
Sports Franchise	150,410	94,359	+59%	+25%
Gaming Franchise[3]	195,511	195,325	+0%	+0%
Revenues[3]	**585,737**	**440,079**	**+33%**	**+21%**

Revenues amounted to Euro 585.7 million[3] in Q1 2025, compared to Euro 440.1 million in the Q1 2024, with an increase of +33%.

The Online segment revenues amounted to Euro 239.8 million in Q1 2025, +59% compared to the Q1 2024, with a strong performance driven also by the market share growth across all product segments and brands as well as the contribution from the PWO acquisition and a favourable sport betting payout during the quarter.

The Sports Franchise segment reported Euro 150.4 million in revenues in Q1 2025, +59% compared to the same period of previous year mainly due to the contribution from PWO acquisition and a favourable sport betting payout during the quarter.

The Gaming Franchise segment revenues reached Euro 195.5 million[3] in Q1 2025, substantially in line with the same period of previous year.

Adjusted EBITDA and margin by segment

(Euro thousands, %)	**Q1 2025**		**Q1 2024**		**YoY %**	**YoY @ PO normalised[8] (%)**
Online	128,474	53.6%	82,935	55.1%	+55%	+30%
Sports Franchise	45,650	30.4%	19,702	20.9%	+132%	+11%
Gaming Franchise	46,350	23.7%	46,884	24.0%	(1%)	(1%)
Adjusted EBITDA	**220,474**	**37.6%**	**149,521**	**34.0%**	**+47%**	**+18%**

Adjusted EBITDA reached Euro 220.5 million in Q1 2025, +47% compared to Q1 2024. Adjusted EBITDA margin is equal to 37.6% on revenues, compared to 34.0% in Q1 2024, driven also by the favourable payout and notwithstanding the consolidation of PWO, which has lower margins.

Operating cash flow

(Euro thousands)	**Q1 2025**	**Q1 2024**
Adjusted EBITDA	**220,474**	**149,521**
Recurring capex	(21,292)	(20,414)
Concession capex	(14,793)	(19,054)
Operating cash flow	**184,389**	**110,053**

Operating cash flow in Q1 2024 was Euro 184.4 million, compared to Euro 110.1 million for the Q1 2024, mainly due to higher Adjusted EBITDA.

Net financial debt

(Euro million)	31 March 2025	31 December 2024
Gross Financial Debt	**2,046.9**	**2,046.2**
EUR 400m FRNs due 2031	400.0	400.0
EUR 500m SSNs due 2030	500.0	500.0
EUR 500m FRNs due 2030	500.0	500.0
EUR 565m SSNs due 2028	565.0	565.0
IFRS 16 (leases)	81.9	81.2
Cash[9]	**(242.0)**	**(173.3)**
Net Financial Debt	**1,804.9**	**1,872.8**
LTM run-rate Adjusted EBITDA[8]	851.0	792.9
Net leverage	**2.1x**	**2.4x**

Net financial debt amounted to Euro 1,804.9 million as of 31 March 2025, equivalent to a net leverage of 2.1x on LTM run-rate Adjusted EBITDA[8].

Launch of a share Buy-Back programme

Lottomatica Group S.p.A. (“**Lottomatica**” or the “**Company**”) announces that starting from June 2025 it will launch a share buy-back programme (the “**Programme**”), pursuant to the authorization obtained by the Shareholders’ Meeting held on 30 April 2025 (valid for a period of 18 months from such date).

Details of the Programme are provided below in compliance with Article 144-*bis*, paragraph 3, of Consob Regulation 11971/ 1999 (the “**Issuers’ Regulation**”) and Delegated Regulation 2016/1052/ EU. The Programme will be implemented within the safe harbour system provided under Regulation (EU) 596/2014 (the “**MAR Regulation**”).

Purpose of the Programme

In particular, the Programme is aimed at acquiring shares in order to remunerate the shareholders and meet the commitments deriving from the share incentive plans in place from time to time, it being understood that, should opportunities arise to realise potential acquisitions or other projects that can guarantee attractive returns for the Company that require the use of the Company’s cash, the buy-back programme may be interrupted or reduced.

Operating procedures and trading venues

The purchase transactions will be carried out through an authorized intermediary appointed, among leading financial institutions, for the implementation of the Programme, which will operate in full

[9] As of 31 March 2025, the item is adjusted for the advance payment for the acquisition of Distante S.r.l. for Euro 10 million, completed on 1 April 2025. As of 31 December 2024, the item includes PWO guarantee deposits of Euro 9 million, collected in January 2025.

independence in accordance to operational procedures to ensure the equal treatment of the shareholders as established by law or regulations, including European ones, in force and applicable from time to time.

In particular, the purchase transactions will be carried out in compliance with the principle of equal treatment of shareholders provided for in Article 132 of the Italian Legislative Decree no. 58 of February 24, 1998, as amended (the "**TUF**"), in the manner set forth in Article 144-bis, paragraph 1, letters b), c), d), d-*ter*), and paragraph 1-*bis*, of the Issuers' Regulations, and in accordance with Article 5 of the MAR Regulation.

Maximum number of treasury shares and maximum outflow

The maximum number of treasury shares to be purchased, in one or more tranches, in any case will not exceed 25 million ordinary shares of the Company, with no par value, in total equal to approximately 10% of the share capital. The maximum potential outflow for the purchase of treasury shares under the Programme is estimated at approximately EUR 500,000,000, considering the average share price of the last 10 business days.

In accordance with Article 2357, paragraph 1, of the Italian Civil Code, purchases of treasury shares must in any case be made within the limits of distributable profits and available reserves resulting from the latest approved financial statements at the time each transaction is carried out.

Minimum and maximum purchase price and number of purchased shares

The treasury shares shall be purchased under the price conditions specified in Art. 3, paragraph 2, of the Delegated Regulation (EU) no. 2016/1052. In any case, purchases shall be made at a price that does not diverge downwards or upwards by more than 20% from the official price registered by the Company's shares in the trading session of Euronext Milan on the day prior to the execution of each individual purchase transaction, and in any case at a price that is not higher than the higher price between the price of the latest independent transaction and the price of the highest current independent offer on the trading venue where the purchase is made.

The number of shares purchased each day shall not exceed the 25% of the average daily volume of the Company's shares traded in the trading venue where the purchase is made, calculated based on the average daily trading volume in the 20 trading days prior to the purchase date.

Duration of the Programme

The duration of the Programme has been established, pursuant to the authorization to purchase and dispose of treasury shares granted by the Shareholders' Meeting held on 30 April 2025, in a period of maximum 18 months.

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It should be noted that the Extraordinary Shareholders' meeting held on 30 April 2025 also approved the cancellation of any treasury shares to be purchased, within and no later than 24 months from the shareholders' resolution of 30 April 2025, without any share capital reduction.

Furthermore, the resolution of the Board of Directors does not impose on the Company any obligation to purchase shares, hence the Programme can be executed even partially and its implementation may be revoked at any time and promptly communicated to the market.

Pursuant to Article 5, paragraphs 1, letter b, and 3 of the MAR Regulation and Articles 2 and 3 of the Delegated Regulation (EU) no. 2016/1052, the Company will notify to Consob and the market in aggregate and in detailed form the transactions carried out under the Programme, also by means of publication on its website, in accordance with the timing provided for by applicable regulations.

As of the date of this press release, the Company does not hold any treasury shares.

This press release does not constitute, nor is it part of, any offer of financial instruments or solicitation of investment in any country.

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Management will hold a conference call at 10:00 CEST on 7 May 2025 to comment the consolidated results to the market. The event can be followed:

- **via phone: +39 02 802 09 11 or +44 121 281 80 04 or +1 718 705 87 96**
- **via Webcast**

The manager in charge of preparing the company's accounting documents, Laurence Lewis Van Lancker, declares, pursuant to par. 2 of Art. 154-bis of the Consolidated Finance Act, that the accounting information contained in this press release corresponds to the documented results, books and accounting records.

Consolidated statement of comprehensive income

	For the three months ended 31 March	
(in thousands of Euro)	**2025**	**2024**[10]
Revenues	584,548	440,079
Other income	3,082	3,875
Total revenues and income	**587,630**	**443,954**
Cost of services	(345,634)	(265,110)
Personnel expenses	(41,115)	(26,044)
Other operating costs	(10,905)	(8,829)
Depreciation, amortization and impairments	(64,932)	(52,297)
Impairment of receivables and financial assets	(9,937)	(249)
Other (accruals)/ releases	68	-
Finance income	670	6,008
Finance expenses	(38,240)	(45,291)
Share of profit of equity accounted investments	205	-
Profit before tax	**77,810**	**52,142**
Income tax expense	(26,269)	(22,276)
Net profit for the period	**51,541**	**29,866**
Net profit for the period attributable to non-controlling interests	1,255	1,528
Net profit for the period attributable to the owners of the parent	**50,286**	**28,338**

	For the three months ended 31 March	
(Euro thousands)	**2025**	**2024**[10]
Net profit for the period	**51,541**	**29,866**
Actuarial gains on employee benefit liabilities	469	101
Fiscal effect on actuarial gains on employee benefit liabilities	(113)	(24)
Other items that will not be classified to profit or loss	**356**	**77**
Gains on hedging derivatives	474	8,327
Fiscal effect on gains on hedging derivatives	(113)	(1,998)
Losses on conversion of financial statements of the foreign companies	-	(30)
Other items that will be classified to profit or loss	**361**	**6,299**
Total comprehensive profit	**52,258**	**36,242**
Total comprehensive profit attributable to non-controlling interests	1,255	1,528
Total comprehensive profit attributable to the owners of the parent	**51,003**	**34,714**

[10] Consolidated statement of comprehensive Income figures for the three months ended 31 March 2024 has been restated following the completion of the purchase price allocation relating to Ricreativo B S.p.A..

Consolidated statement of financial position

(in thousands of Euro)	As of 31 March 2025	As of 31 December 2024
Intangible assets	816,422	697,953
Goodwill	2,061,199	2,048,563
Property, plant and equipment	145,856	148,460
Right of use	75,381	74,398
Investment property	429	435
Non-current financial assets	2,048	2,037
Equity accounted investments	5,607	-
Non-current trade receivables	492	636
Deferred tax assets	7,856	10,565
Other non-current assets	18,028	15,815
Total non-current assets	**3,133,318**	**2,998,862**
Inventories	1,917	1,478
Current trade receivables	96,538	77,349
Current financial assets	40,426	30,396
Tax receivables	1,229	2,158
Other current assets	168,082	162,079
Cash and cash equivalents	231,881	164,156
Total current assets	**540,073**	**437,616**
Total assets	**3,673,391**	**3,436,478**
Share capital	10,000	10,000
Other reserves	405,959	405,959
Retained earnings	153,570	102,010
Total shareholders' equity attributable to the owners of the parent	**569,529**	**517,969**
Equity attributable to non-controlling interests	48,543	47,534
Total shareholders' equity	**618,072**	**565,503**
Employee benefit liabilities	27,508	26,730
Non-current financial liabilities	2,046,689	2,048,436
Provisions for risks and charges	37,767	6,164
Deferred tax liabilities	146,999	152,130
Other non-current liabilities	109,616	53,200
Total non-current liabilities	**2,368,579**	**2,286,660**
Current financial liabilities	110,240	100,391
Current trade payables	118,082	133,702
Tax payables	44,957	23,147
Other current liabilities	413,461	327,075
Total current liabilities	**686,740**	**584,315**
Total equity and liabilities	**3,673,391**	**3,436,478**

Consolidated statement of cash flows

(in thousands of Euro) **INDIRECT METHOD**	**For the three months ended 31 March** **2025**	 **2024**[11]
Profit before tax	**77,810**	**52,142**
Reconciliation of profit before tax with cash flow from operating activities:		
Depreciation, Amortization and Impairment	64,932	52,297
Accruals and write-downs for impairment losses	9,869	249
Other accruals	907	779
Share of profit of equity accounted investments	(205)	-
Net financial expenses	36,476	38,245
Leasing financial expenses	1,094	1,038
Other adjustments for non-monetary items	818	345
Cash flow from operating activities before changes in net working capital	**191,701**	**145,095**
Changes in net working capital		
Increase in inventories	(439)	(283)
Decrease in trade receivables	3,374	4,547
Increase / (Decrease) in trade payables	(5,546)	5,235
Other changes in net working capital	(5,984)	(33,624)
Cash flow from changes in net working capital	**(8,595)**	**(24,125)**
Accruals to employee benefits and provisions for risks and charges	(83)	(299)
Cash flow from operating activities (a)	**183,023**	**120,671**
Cash flow from investing activities		
Investments:	(46,507)	(47,436)
- intangible assets	(29,770)	(33,031)
- property, plant and equipment	(16,737)	(14,405)
Investments in associates	(4,155)	-
Net investment in financial assets	(10,061)	-
Deferred purchase consideration for acquisition of subsidiaries/business units	(13,830)	(1,296)
Acquisitions net of cash and cash equivalents	(10,777)	(60)
Cash flow from investing activities (b)	**(85,330)**	**(48,792)**
Cash flow from financing activities		
Fees of issuance of notes	-	(1,879)
Net financial expenses including RCF	(21,809)	(35,901)
Lease payment	(6,825)	(5,970)
Repayment of other bank liabilities	(560)	(298)
Changes in current and non-current financial assets	-	7
Transactions with minorities	153	(3,226)
Dividends paid	(927)	-
Cash flow from financing activities (c)	**(29,968)**	**(47,267)**
Net Cash flow (a+b+c)	**67,725**	**24,612**
Cash and cash equivalents at the beginning of the period	164,156	294,682
Cash and cash equivalents at the end of the period	231,881	319,294

[11] Consolidated statement of cash flows figures for the three months ended 31 March 2024 have been restated following the completion of the purchase price allocation relating to Ricreativo B S.p.A..

Reconciliation of Non-GAAP Measures

Adjusted EBITDA

(in thousands of Euro)	**Q1 2025**	**Q1 2024**[12]	**FY 2024**
Net profit for the period	**51,541**	**29,866**	**103,839**
Income tax expense	26,269	22,276	77,052
Net financial expenses	37,570	39,283	206,362
Share of profit of equity accounted investments	(205)	-	(1,663)
Depreciation, amortization and impairment	64,932	52,297	244,353
Adjusted EBITDA from equity accounted investments	936	-	-
Cost related to M&A and international activities	1,113	1,658	8,298
Integration costs	10,565	2,082	33,713
Other non-recurring (income)/expenses (monetary)	18,068	1,890	26,480
Other non-recurring (income)/expense (non-monetary)	9,685	169	8,488
Adjusted EBITDA	**220,474**	**149,521**	**706,922**

Adjusted Net Profit

(in thousands of Euro)	**Q1 2025**	**Q1 2024**[12]	**FY 2024**
Net profit for the period	**51,541**	**29,866**	**103,839**
Amortization of assets resulting from business combinations	18,424	14,614	73,079
Other non-recurring costs and income excluded from Adjusted EBITDA[13]	39,431	5,799	75,316
Adjustments related to refinancing and PWO Acquisition	-	3,324	52,360
Of which:			
- Make-whole on notes repaid	-	-	26,443
- Effect of acceleration of the unamortized costs and net charge IRS on notes repaid	-	-	21,663
- Negative carry (net of accrued interest received from escrow account)	-	3,324	4,254
Other non-monetary items including in financial expenses	2,256	3,679	8,375
Tax effect (IRES + IRAP)	(16,905)	(7,621)	(58,709)
Adjusted Net Profit	**94,747**	**49,661**	**254,260**

[12] Figures for the three months ended 31 March 2024 have been restated following the completion of the purchase price allocation relating to Ricreativo B S.p.A..

[13] The item includes non-recurring income from equity accounted investments amounting to Euro 1.7 million as of 31 December 2024.

Further information

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Disclaimer

This press release contains forward-looking statements, which are subject to known and unknown risks, uncertainties, and assumptions that are difficult to predict because they relate to events and depend on circumstances that will occur in the future. Many of these risks and uncertainties relate to factors that are beyond the company's ability to control or estimate precisely, such as future market conditions, currency fluctuations, the behaviour of other market participants, the actions of regulators and other factors. Therefore, the Company actual results may differ materially and adversely from those expressed or implied in any forward-looking statements.
In particular, the Company believes the mid-term business plan estimates are no longer relevant following the PWO acquisition.
Factors that might cause or contribute to such differences include, but are not limited to, economic conditions globally, social, political, economic and regulatory developments or changes in economic or technological trends or conditions in Italy and internationally. Consequently, the Company makes no representation, whether expressed or implied, as to the conformity of the actual results with those projected in the forward-looking statements. Any forward-looking statements made by or on behalf of the Company speak only as of the date they are made. The Company does not undertake to update forward-looking statements to reflect any changes in the Company expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based. The reader should, however, consult any further disclosures the Company may make in documents it files with the Italian Securities and Exchange Commission and with the Italian Stock Exchange.

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About Lottomatica Group S.p.A.

With approximately Euro 39 billion bets and Euro 2.0 billion of consolidated revenues in FY 2024, Lottomatica is the leader player in the Italian gaming market. It operates across three segments: Online, Sports Franchise and Gaming Franchise. Lottomatica offers safe and engaging gaming experiences across all channels. The Group counts on the expertise of approximately 2,700 direct employees and its large franchising network. As of 31 December 2024 Lottomatica has a customer base of more than 2 million online customers and distributes its gaming products across approximately 17,800 points of sales.